Codification:	§5-1-21-0-0-0-1
Title:	Resolution Approving Minutes from May 9, 2019 ZNB Council Special Meeting
Effective Date:	May 9, 2019
Authority for Passage:	ZEDE Village of North Bay ("ZNB") Charter and Bylaws, as amended, §1-3-1-0-0-0-3.09(11)

OPERATIVE TEXT OF ZNB RULE/ACTION:

RESOLVED that the ZNB Council and Technical Secretary hereby approve the attached minutes of the May 9, 2019 Special Meeting of the Technical Secretary and Council of the ZEDE Village of North Bay, Republic of Honduras.

ROLL CALL OF VOTES:

1.	**Approving Passage?**	**Yes**	☑
		No	
		Abstain	
By: Erick A Brimen (May 27, 2019)		**Absent**	
		Open Seat	
Name: Erick A Brimen	**Title:** Council Member		
Caveat(s) to Vote:			
2.	**Approving Passage?**	**Yes**	☑
		No	
		Abstain	
By: Titus Gebel (May 27, 2019)		**Absent**	
		Open Seat	
Name: Titus Gebel	**Title:** Council Member		
Caveat(s) to Vote:			
3.	**Approving Passage?**	**Yes**	☑
		No	
		Abstain	
By: O. W, Porter (May 27, 2019)		**Absent**	
		Open Seat	
Name: O. W, Porter	**Title:** Council Member		
Caveat(s) to Vote:			
4.	**Approving Passage?**	**Yes**	☑
		No	
		Abstain	
By: Rodrigo Quercia (May 27, 2019)		**Absent**	
		Open Seat	
Name: Rodrigo Quercia	**Title:** Council Member, Treasurer		
Caveat(s) to Vote:			
5.	**Approving Passage?**	**Yes**	☑

		No	
		Abstain	
		Absent	
By: Gabriel Delgdo Ayau (Gabriel Delgdo Ayau (May 27, 2025))		**Open Seat**	
Name: Gabriel Delgdo Ayau	**Title:** Council Member and Ad -Hoc Secretary		
Caveat(s) to Vote:			
6.	**Approving Passage?**	**Yes**	☑
		No	
		Abstain	
		Absent	
By:		**Open Seat**	
Name: Tristan Monterroso	**Title:** Technical Secretary		
Caveat(s) to Vote:			
7.	**Approving Passage?**	**Yes**	
		No	
		Abstain	
		Absent	
By:		**Open Seat**	☑
Name:	**Title:**		
Caveat(s) to Vote:			
8.	**Approving Passage?**	**Yes**	
		No	
		Abstain	
		Absent	
By:		**Open Seat**	☑
Name:	**Title:**		
Caveat(s) to Vote:			
9.	**Approving Passage?**	**Yes**	
		No	
		Abstain	
		Absent	
By:		**Open Seat**	☑
Name:	**Title:**		
Caveat(s) to Vote:			

Technical Secretary Action		
ZNB Rule/Action Adopted?	**Yes**	☑
	No	
By:		
Name: Tristan Monterroso	**Title:** Technical Secretary	
Caveat(s) to Adoption:		
Council Secretary Certification		
Is this record certified as evidencing the official act of the ZNB and duly noted in its public records?	**Yes**	☑
	No	
By: Erick A Brimen (Erick A Brimen (May 27, 2019))		
Name: Erick A Brimen	**Title:** Council Member	
Caveat(s) to Certification:		

Codificación:	§5-1-21-0-0-0-1
Título:	Resolución Aprobando las Actas de la Reunión Extraordinaria del Consejo del ZNB del 9 de mayo de 2019
Fecha de entrada en vigor:	9 de mayo de 2019
Autoridad de paso:	Carta y Estatutos de ZEDE Village of North Bay ("ZNB"), como enmendado, §1-3-1-0-0-0-0-3.09(11)

TEXTO OPERATIVO DE LA REGLA/ACCIÓN ZNB:

RESUELVE que el Consejo de la ZNB y el Secretario Técnico aprueben por la presente el documento adjunto
acta de la Reunión Extraordinaria del 9 de mayo de 2019 de la Secretaría Técnica y del Consejo de la Aldea ZEDE de North Bay, República de Honduras.

VOTACIÓN NOMINAL:

1.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por: Ver traducción al inglés para el recuento de votos.		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	
Nombre:	**Título:**		
Advertencia(s) para votar:			
2.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por: Ver traducción al inglés para el recuento de votos.		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	
Nombre:	**Título:**		
Advertencia(s) para votar:			
3.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por: Ver traducción al inglés para el recuento de votos.		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	
Nombre:	**Título:**		
Advertencia(s) para votar:			

4.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por: Ver traducción al inglés para el recuento de votos.		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	
Nombre:	**Título:**		
Advertencia(s) para votar:			
5.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por: Ver traducción al inglés para el recuento de votos.		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	
Nombre:	**Título:**		
Advertencia(s) para votar:			
6.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por: Ver traducción al inglés para el recuento de votos.		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	
Nombre:	**Título:**		
Advertencia(s) para votar:			
7.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por:		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	☑
Nombre:	**Título:**		
Advertencia(s) para votar:			

8.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por:		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	☑
Nombre:	**Título:**		
Advertencia(s) para votar:			
9.	**¿Aprobación de Aprobación de Pasaje?**	**Sí**	
Por:		**No**	
		Abstenerse	
		Ausente	
		Asiento abierto	☑
Nombre:	**Título:**		
Advertencia(s) para votar:			

Acción de la Secretarío Técnico			
	Regla/acción de ZNB ¿Adoptada?	**Sí**	☑
Por:		**No**	
Nombre: Tristan Monterroso	**Título:** Technical Secretary		
Advertencia(s) a la adopción:			
Certificación del Secretario del Consejo			
	¿Este registro está certificado como prueba del acto oficial de la ZNB y debidamente anotado en sus registros públicos?	**Sí**	☑
Por: Erick A Brimen (May 27, 2019)		**No**	
Nombre: Erick A Brimen	**Título:** Council Member		
Advertencia(s) a la Certificación:			

ZEDE VILLAGE OF NORTH BAY
SPECIAL COUNCIL MEETING
LONG FORM MINUTES

Nature of Meeting:	Special Meeting of the Technical Secretary and Council of the ZEDE Village of North Bay, Republic of Honduras
Date of Meeting:	May 9, 2019
Time of Meeting:	10:00 a.m. Roatan Time (12:00 p.m. Eastern Time U.S.)
Identities of All Attendees:	Technical Secretary Tristan M. Monterroso Council Members Erick A. Brimen, Oliver Porter, Gabriel Delgado Ayau, and Rodrigo Quercia Legal Advisor: Nick Dranias, General Counsel, SDEH Interim ZNB Trustee: Nick Dranias, Nick Dranias Law & Policy Analysis LLC
Address or Virtual Location of Meeting:	Via ZOOM contemporaneous electronic communication between and among Technical Secretary and Council Members.
Agenda:	1. Call to Order 2. GSP RFP Agreement (Executive Summary Included) 3. Resolution approving Minutes from 4th Regular Meeting 4. Mortgage Foreclosure Sale Statute (Executive Summary Included) First Hearing 5. Charter Amendments (Executive Summary Included – Revised in Light of Comments by MCM and Brimen) 6. Resolution authorizing NBF to enter into Promissory Note to balance books of NBF (Quercia to explain) 7. Discussion Items: a. Residency Contract Working Drafts (e-Resident and Resident) b. Tax Code

Meeting called to order by Technical Secretary Tristan M. Monterroso under the August 23, 2018 Charter and Bylaws of the ZEDE Village of North Bay, as amended, with a quorum being present at all times, with adequate notice of the Special Meeting, and without objection by all attendees.

1. Motion to Add to Agenda and Discuss Resolution to Release of GSP RFP.
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.

Nay: 0
Abstain/Absent: (1 – Absent (Gebel); 3 – open seats)
Disposition: PASSED

Discussion: After an introduction of the RFP proposal by Oliver Porter, an extended discussion by all members of the Council concerning the substance, competitive nature, potential conflicts and duration of the RFP was held, and any issues were resolved. It was agreed that the final vote would be delayed until May 13, 2019, to allow Council member Delgado the opportunity for further study.

2. Motion to approve Resolution to Release GSP RFP by Electronic Vote on or before May 13, 2019 at 12:00 a.m. ET and, if a majority fails to vote in favor of releasing the GSP RFP by such deadline, to table the resolution until the 6th Regular Meeting of the Council on May 23, 2019.

Motion: Erick Brimen
Second: Oliver Porter
Vote:
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
Nay: 0
Abstain/Absent: (1 – Absent (Gebel); 3 – open seats)
Disposition: PASSED (Adobe Sign resolution to issue)

3. Motion to approve April 25, 2019 Regular Meeting Minutes.

Motion: Erick Brimen
Second: Oliver Porter
Vote:
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
Nay: 0
Abstain/Absent: (1 – Absent (Gebel); 3 – open seats)
Disposition: PASSED (Adobe Sign resolution to issue)

4. Motion to hear first reading of the ZNB Mortgage Foreclosure Sale Statute.
Motion: Erick Brimen
Second: Gabe Delgado
Vote:
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
Nay: 0
Abstain/Absent: (1 – Absent (Gebel); 3 – open seats)
Disposition: PASSED

Discussion: Member Brimen requested explanation of legislation from Dranias who presented the written executive summary accompanying the draft legislation, explaining how the legislation borrowed from "power of sale" non-judicial foreclosure laws in nearly 2 dozen states, and moderated the Texas equivalent to allow for protection against lender abuse of process. Dranias also discussed Federal Reserve policy report that found the "power of sale" non-judicial foreclosure process significantly increases access to credit as compared to judicial foreclosure processes. Member Delgado noted that the legislation would be very enticing to potential investors. The first reading was concluded and pursuant to previously adopted procedure, the matter automatically table to the 6th regular meeting for a second reading and a vote.

5. Charter Amendments, Resolution authorizing NBF to enter into Promissory Note to balance books of NBF, Residency Contract Working Drafts (e-Resident and Resident), and ZNB Tax Code tabled to agenda for May 23, 2019 (6th Regular Council Meeting).

Motion: Erick Brimen
Second: Gabe Delgado
Vote:
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
Nay: 0
Abstain/Absent: (1 – Absent (Gebel); 3 – open seats)
Disposition: PASSED

6. Meeting adjourned by Technical Secretary Tristan M. Monterroso.

The foregoing minutes are a true and accurate record of proceedings before the Council of the ZEDE Village of North Bay at the aforesaid meeting, and I further certify the same for the public record after approval at the next meeting of the Council.

Erick A Brimen
Erick A Brimen (May 27, 2019)

May 27, 2019

Erick A. Brimen, Secretary Date

ZEDE VILLAGE OF NORTH BAY
SESIÓN ESPECIAL DEL CONSEJO
MINUTAS DE FORMULARIOS LARGOS

Naturaleza de la reunión:	Reunión Extraordinaria de la Secretaría Técnica y del Consejo de la ZEDE Village of North Bay, República de Honduras
Fecha de la reunión:	9 de mayo de 2019
Hora de la reunión:	10:00 a.m. Hora de Roatán (12:00 p.m. Hora del Este de EE.UU.)
Identidades de todos los asistentes:	Secretario Técnico Tristán M. Monterroso Miembros del Consejo Erick A. Brimen, Oliver Porter, Gabriel Delgado Ayau y Rodrigo Quercia Asesora Jurídica: Nick Dranias, Consejero General, SDEH Síndico interino de la ZNB: Nick Dranias, Nick Dranias Law & Policy Analysis LLC
Dirección o lugar virtual de la reunión:	A través de la comunicación electrónica contemporánea de ZOOM entre la Secretaría Técnica y los miembros del Consejo.
Agenda:	1. Llamar a la orden 2. Acuerdo de solicitud de propuestas del SGP (se incluye un resumen ejecutivo) 3. Resolución aprobando las Actas de la 4ª Reunión Ordinaria 4. Estatuto de Venta de Hipotecas por Ejecución Hipotecaria (Resumen Ejecutivo Incluido) Primera Audiencia 5. Enmiendas a la Carta Constitutiva (Resumen Ejecutivo Incluido - Revisado a la luz de los comentarios de MCM y Brimen) 6. Acuerdo por el que se autoriza a NBF a suscribir Pagarés sobre el saldo de los libros de NBF (Quercia a explicar) 7. Temas de discusión: a. Borradores de contratos de residencia (e-Resident y Resident) b. Indicador de impuestos

Reunión convocada por el Secretario Técnico Tristán M. Monterroso bajo los Estatutos y Reglamentos de la Aldea ZEDE de North Bay del 23 de agosto de 2018, y sus

modificaciones, con quórum presente en todo momento, con la debida notificación de la

Reunión Extraordinaria, y sin objeción por parte de todos los asistentes.

1. Moción para añadir al orden del día y discutir la resolución para la publicación de la solicitud de propuestas del SGP.
   Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
   Nay: 0
   Abstención/Ausencia: (1 - Ausente (Gebel); 3 - asientos libres)
   Disposition: APROBADO

Discusión: Tras la presentación de la propuesta de solicitud de propuestas por Oliver Porter, todos los miembros del Consejo mantuvieron un amplio debate sobre el contenido, la naturaleza competitiva, los posibles conflictos y la duración de la solicitud de propuestas, y se resolvieron todos los problemas. Se acordó que la votación final se pospondría hasta el 13 de mayo de 2019, para dar a Delgado, miembro del Consejo, la oportunidad de seguir estudiando.

2. Moción para aprobar la Resolución para Liberar el Pliego de Cargos del GSP por Voto Electrónico en o antes del 13 de mayo de 2019 a las 12:00 a.m., hora del Este y, si una mayoría no vota a favor de liberar el Pliego de Cargos del GSP antes de dicha fecha límite, presentar la resolución hasta la Sexta Reunión Ordinaria del Consejo el 23 de mayo de 2019.

Motion: Erick Brimen
Second: Oliver Porter
Votar:
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
Nay: 0
Abstención/Ausencia: (1 - Ausente (Gebel); 3 - asientos libres)
Disposition: PASSED (Resolución de la firma de Adobe para emitir)

3. Moción para aprobar las Actas de la Reunión Ordinaria del 25 de abril de 2019.

Motion: Erick Brimen
Second: Oliver Porter
Votar:
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
Nay: 0
Abstain/Absent: (1 - Ausente (Gebel); 3 - plazas libres)

Disposition: PASSED (Resolución de la firma de Adobe para emitir)

4. Moción para escuchar la primera lectura del Estatuto de Venta de Ejecuciones Hipotecarias de ZNB.

Motion: Erick Brimen
Second: Gabe Delgado
Votar:
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
Nay: 0
Abstención/Ausencia: (1 - Ausente (Gebel); 3 - asientos libres)
Disposition: APROBADO

Discusión: El miembro Brimen solicitó una explicación de la legislación a Dranias, quien presentó el resumen ejecutivo escrito que acompaña al proyecto de ley, explicando cómo la legislación tomó prestada de las leyes no judiciales de ejecución hipotecaria de "poder de venta" en casi dos docenas de estados, y moderó el equivalente de Texas para permitir la protección contra el abuso del proceso por parte de los prestamistas. Dranias también discutió el informe de política de la Reserva Federal que encontró que el proceso de ejecución hipotecaria no judicial del "poder de venta" aumenta significativamente el acceso al crédito en comparación con los procesos judiciales de ejecución hipotecaria. La diputada Delgado señaló que la legislación sería muy atractiva para los posibles inversores. Concluyó la primera lectura y, de conformidad con el procedimiento previamente adoptado, la cuestión se somete automáticamente a la sexta sesión ordinaria para una segunda lectura y una votación.

5. Enmiendas a la Carta Orgánica, Resolución que autoriza a NBF a suscribir Pagarés para el balance de los libros de NBF, Borradores de Contratos de Residencia (e-Residente y Residente), y Código Tributario ZNB presentado en la agenda del 23 de mayo de 2019 (6ª Reunión del Consejo Regular).

Motion: Erick Brimen
Second: Gabe Delgado
Votar:
Aye: 5 - Monterosso, Brimen, Porter, Delgado, Quercia.
Nay: 0
Abstención/Ausencia: (1 - Ausente (Gebel); 3 - asientos libres)
Disposition: APROBADO

6. La reunión fue clausurada por el Secretario Técnico Tristán M. Monterroso.

Las actas anteriores son un registro verdadero y preciso de las actuaciones ante el Consejo de la ZEDE Village of North Bay en la reunión mencionada, y certifico además que las mismas se harán públicas tras su aprobación en la siguiente reunión del Consejo.

Erick A Brimen
Erick A Brimen (May 27, 2019)

May 27, 2019

Erick A. Brimen, Secretary Fecha

TO: ZNB Council and Technical Secretary

FROM: Nick Dranias, General Counsel, SDEH

SUBJECT: EXECUTIVE SUMMARY OF ZNB MORTGAGE FORECLOSURE SALE STATUTE

Substance: This draft legislation implements a non-judicial mortgage foreclosure process that the Federal Reserve credits with significantly increasing access to loanable funds. Essentially, mortgages containing power of sale clauses authorize a lender on breach to retain a trustee to conduct a public sale of the property without court action. The defaulting debtor can only respond by redeeming the debt, purchasing at auction or suing for fraud.

Relationship to International Practice: This draft statute is modeled on and moderated from a similar Texas state law, which is typical of almost two dozen states in the United States. It is moderated by extending the time frame for conducting the sale from 21 days to 45 days after notice, allowing the debtor an opportunity to redeem the debt before the property is sold, up to 30 days after notice of default, and furnishing the debtor with remedies for an abuse of process by lender.

Public Policy Implicated: Passage of this law will make the ZNB attractive to mortgage lenders, which is believed to be a comparative advantage of the ZNB legal environment.

Summary of Provisions:

Element	**Summary**
Section 1	Title
Section 2	Definitions – provides example of power of sale clause
Section 3	Non-judicial sale process
Section 4 - 7	Procedural sections detailing authority and duty of trustee and mortgage service
Section 8	Clarifies that property is sold as-is and purchaser at sale is entitled to register after sale
Sections 9-11	Details the deficiency actions that can be brought if money still owed by debtor after sale
Section 12	Details the debtor's redemption right
Section 13	Provides debtor with monetary relief if lender abuses process such as by conducting sale without a breach of an express provision of the mortgage or by ignoring redemption
Section 14	Details relationship between law and registry law as well as sets effective date to coincide with registry effective date

ZNB MORTGAGE FORECLOSURE SALE STATUTE

Sec. 1. TITLE: This statute shall be known as the "ZNB Mortgage Foreclosure Sale Statute."

Sec. 2. DEFINITIONS. The ZNB Mortgage Foreclosure Sale Statute is governed by the following definitions:

(a) "Book entry system" means the legal entity that maintains a book entry system for registering a beneficial interest in a mortgage, which acts as a nominee for the grantee, beneficiary, owner, or holder of the mortgage and its successors and assigns.

(b) "GSP" means the ZNB General Service Provider selected pursuant to article 7.03 of the ZNB Charter.

(c) "Mortgage servicer" means the last person to whom a mortgagor has been instructed by the current mortgagee to send payments for the debt secured by a mortgage. A mortgagee may be the mortgage servicer.

(d) "Mortgagee" means:

(1) the grantee, beneficiary, owner, or holder of a mortgage;

(2) a book entry system; or

(3) if the mortgage has been assigned or transferred (for example where it has been transferred in accordance with the ZNB Land Title Law 2019), the last person to whom the mortgage has been assigned or transferred of record.

(e) "Mortgagor" means the grantor of a mortgage.

(f) "Mortgage" has the same meaning as in the Roatan Common Law Code ("RCLC"), §2-3-4-0-3-2-3203 (§1.1).

(g) "Real property" includes:

(1) land, as that term is defined in the RCLC and the ZNB Land Title Law 2019;

(2) severed rights, as that term is defined in the ZNB Land Title Law 2019.

(h) "Transfer/notation instrument" means either:

(1) the instrument (in such form as may be generally prescribed by the Registrar of the ZNB Property Registry for lodging title transfer or title notation instruments) that, upon registration in the ZNB Property Registry,

correspondingly transfers, benefits, burdens or affects estates or interests for which a record of title exists, including land and severed rights, when the foregoing terms are used in the context of identifying the instrument that, under the authority of the ZNB Land Title Law 2019, (i) effectuates or is intended to effectuate a transfer of title or (ii) grants or is intended to grant benefits or burdens running with title; or

(2) the corresponding record of title maintained by the ZNB Property Registry when the foregoing terms are used in the context of referring to the instrument that evidences a right to an estate or interest in title to real property that is governed by the ZNB Land Title Law 2019.

(i) "Power of sale" means a clause in a mortgage that is substantively equivalent to the following: "On default by mortgagor in the payment of any indebtedness secured by this mortgage or in the performance of any obligation under this mortgage, mortgagee may declare all sums secured by this mortgage immediately due and payable by delivering to trustee a written notice of default and election to sell the property subject to the mortgage. Mortgagee shall also deposit with trustee the mortgage, the note(s) relating to the mortgage, and all documents evidencing any additional expenditures secured by the mortgage. Trustee shall then conduct a non-judicial foreclosure sale of the real property subject to the mortgage by giving notice of sale as required by law. After the notice of sale has been given as required by law, trustee shall sell the real property subject to the mortgage at the time and place specified in the notice of sale, either as a whole or in separate parcels, and in any order determined by Trustee, at public auction to the highest bidder for cash or cash equivalents in legal tender, payable at the time of sale. Trustee shall deliver to the purchaser at the auction a transfer/notation instrument for the property sold, but without any covenant or warranty, express or implied. Any person, including mortgagee or mortgagor, may purchase at the sale. After deducting all costs, fees, and expenses of trustee and mortgagee, trustee shall apply the proceeds of sale to payment of: all sums expended under the terms of this mortgage, not then repaid, with accrued interest at the amount allowed by law in effect at the date of this mortgage; all other sums then secured by this mortgage; and the remainder, if any, to the person or persons legally entitled to the remaining proceeds."

(j) "Trustee" and "substitute trustee" mean a person or persons authorized to conduct a foreclosure sale of real property (whether or not the sale also includes other property) pursuant to a power of sale under the terms of a mortgage.

(k) "ZNB" means the ZEDE Village of North Bay.

(l) "ZNB Charter" means the ZNB August 23, 2018 Charter and Bylaws, as amended from time to time.

(m) “ZNB Property Registry” means the Property Registry established pursuant to article 11.06(1)(a) of the ZNB Charter, which is governed by the ZNB Land Title Law 2019.

Sec. 3. SALE OF REAL PROPERTY SUBJECT TO MORTGAGE.

(a) All mortgages may authorize a non-judicial foreclosure under this section if they contain a power of sale.

(b) Unless the debtor(s) timely exercises the redemption right under Section 12, a sale of real property under a power of sale conferred by a mortgage must be a public sale at auction held by a trustee or substitute trustee between 10 a.m. and 4 p.m. Central Standard Time of the first Tuesday of a month. The sale must be conducted online at a publicly accessible internet website designated by the GSP or at any alternate publicly accessible location designated in the contract granting the mortgage.

(c) The notice of the sale (which must include the name and address of the sender of the notice, the name and address of the debtor(s), the location where the sale covered by that notice is to take place, a statement of a formula for determining the payoff amount necessary for the debtor to exercise the redemption right of Section 12, and a statement of the earliest time at which the sale will begin) must be given by the trustee at least 45 days before the date of the sale by:

(1) posting a written notice of sale at the public notice page maintained online for the sale of property subject to mortgage by the GSP or an alternate publicly accessible location designated in the contract granting the mortgage provided that the notice shall designate the location where the property will be sold;

(2) recording a copy of the notice posted under Subsection (1) in the ZNB Property Registry, which the Registrar shall accept and lodge in connection with the record of title for the property being sold pursuant to Part 2, Division 1, Article 12(1)(f) of the ZNB Land Title Law 2019; and

(3) serving electronic notice of the sale upon each debtor, who, according to the records of the mortgage servicer of the debt, is obligated to pay the debt, at such debtor’s electronic mail address maintained for residency in the ZNB with delivery receipt requested or, if unavailable, by publicly posting a sign containing the information required for a notice of sale in the immediate vicinity of the property to be sold.

(d) The sale must begin at the time stated in the notice of sale or not later than three hours after that time.

(e) Service of a notice under this section is complete when the notice is transmitted, registered or posted, as the case may be. The affidavit of a person knowledgeable of the facts to the effect that service was completed is prima facie evidence of service.

(f) The entire calendar day on which the notice of sale is given, regardless of the time of day at which the notice is given, is included in computing the 45 day notice period required by Subsection (b), and the entire calendar day of the foreclosure sale is excluded.

Sec. 4. ADMINISTRATION OF FORECLOSURE BY MORTGAGE SERVICER. A mortgage servicer may administer the foreclosure of real property under Section 3 on behalf of a mortgagee if:

(a) the mortgage servicer and the mortgagee have entered into an agreement granting the current mortgage servicer authority to service the mortgage; and

(b) the notices required under Section 3(c) disclose that the mortgage servicer is representing the mortgagee under a servicing agreement with the mortgagee and the name of the mortgagee and:

(1) the address of the mortgagee; or

(2) the address of the mortgage servicer, if there is an agreement granting a mortgage servicer, which is not the mortgagee, the authority to service the mortgage.

Sec. 5. DUTIES OF TRUSTEE OR SUBSTITUTE TRUSTEE.

(a) One or more persons may be authorized to conduct the foreclosure sale pursuant to a power of sale under a mortgage as a trustee on behalf of mortgagee and mortgagor.

(b) A trustee shall not be:

(1) assigned a duty under a mortgage other than to conduct (or cancel upon notice of the exercise of the redemption right of Section 12 with the consent of mortgagee) the foreclosure sale pursuant to the power of sale in accordance with the terms of the mortgage and the ZNB Mortgage Foreclosure Sale Statute; or

(2) held to the obligations of a fiduciary of the mortgagor or mortgagee.

(c) A trustee or substitute trustee is not a debt collector.

Sec. 6. AUTHORITY OF TRUSTEE OR SUBSTITUTE TRUSTEE.

(a) A trustee or substitute trustee may set reasonable conditions for conducting the public sale if the conditions are announced before bidding is opened for the first sale of the day held by the trustee or substitute trustee.

(b) Notwithstanding any agreement to the contrary, a mortgagee may appoint or may authorize a mortgage servicer to appoint a substitute trustee or substitute trustees to succeed to all title, powers, and duties of the original trustee. A mortgagee or mortgage servicer may make an appointment or authorization under this subsection by power of attorney, corporate resolution, or other written instrument.

(c) A mortgage servicer may authorize an attorney to appoint a substitute trustee or substitute trustees on behalf of a mortgagee under Subsection (b).

(d) The name and a street address for a trustee or substitute trustees shall be disclosed on the notice required by Section 3(c).

(e) The purchase price in a sale held by a trustee or substitute trustee under this section is due and payable without delay on acceptance of the bid or within such reasonable time as may be agreed upon by the purchaser and the trustee or substitute trustee if the purchaser makes such request for additional time to deliver the purchase price. The trustee or substitute trustee shall disburse the proceeds of the sale as provided by law.

(f) In exchange for the purchase price, the trustee or substitute trustee shall execute and deliver to the purchaser a transfer/notation instrument transferring title to the foreclosed property to the purchaser or its nominee as transferor "at the direction of mortgagor and mortgagee pursuant to exercise of a power of sale in accordance with the ZNB Mortgage Foreclosure Sale Statute."

Sec. 7. EFFECTIVE DATE OF APPOINTMENT. The appointment or authorization of a trustee or substitute trustee made in a notice of sale is effective as of the date of the notice if the notice:

(a) complies with Sections 3 and 6(d);

(b) is signed by an attorney or agent of the mortgagee or mortgage servicer; and

(c) contains a statement in all capital letters, boldface type, to read as follows:

THIS INSTRUMENT APPOINTS THE [SUBSTITUTE] TRUSTEE(S) IDENTIFIED TO SELL THE PROPERTY DESCRIBED IN THE MORTGAGE IDENTIFIED IN THIS NOTICE OF SALE THE PERSON SIGNING THIS NOTICE IS THE ATTORNEY OR AUTHORIZED AGENT OF THE MORTGAGEE OR MORTGAGE SERVICER.

Sec. 8. FORECLOSED PROPERTY REGISTERED AND SOLD "AS IS." The purchaser acquires the foreclosed real property "as is" without any expressed or implied warranties and at the purchaser's own risk. A purchaser at a sale of real property under Section 3 shall be entitled to effectuate the transfer of title to the foreclosed real property in the ZNB Property Registry by lodging with the Registrar the transfer/notation instrument authorized by Section 6(f).

Sec. 9. NON-JUDICIAL FORECLOSURE-DEFICIENCY JUDGMENT.

(a) If the price at which real property is sold at a foreclosure sale under Section 3 is less than the unpaid balance of the indebtedness secured by the real property, resulting in a deficiency, any action brought to recover the deficiency through arbitration or court filing is governed by this section.

(b) Any person against whom such a recovery is sought may request by motion that the arbitral tribunal or court in which the action is pending determine the fair market value of the real property as of the date of the foreclosure sale. The fair market value shall be determined by the finder of fact after the introduction by the parties of competent evidence of fair market value. The sale price of the real property at the foreclosure sale shall constitute competent evidence of fair market value. Competent evidence of fair market value may also include, but is not limited to, the following: (1) expert opinion testimony; (2) comparable sales; (3) anticipated marketing time and holding costs; (4) cost of sale; and (5) the necessity and amount of any discount to be applied to the future sales price or the cashflow generated by the property to arrive at a current fair market value.

(c) If the arbitral tribunal or court determines that the fair market value is greater than the sale price of the real property at the foreclosure sale, the persons against whom recovery of the deficiency is sought are entitled to an offset against the deficiency in the amount by which the fair market value, less the amount of any claim, indebtedness, or obligation of any kind that is secured by a lien or encumbrance on the real property that was not extinguished by the foreclosure, exceeds the sale price. If no party requests the determination of fair market value or if such a request is made and no other competent evidence of fair market value is introduced, the sale price at the foreclosure sale shall be deemed the fair market value and used to compute the deficiency.

(d) Any money received by a lender from a private mortgage guaranty insurer shall be credited to the account of the borrower prior to the lender bringing an action at law for any deficiency owed by the borrower. Notwithstanding the foregoing, the credit required by this subsection shall not apply to the exercise by a private mortgage guaranty insurer of its subrogation rights against a borrower or other person liable for any deficiency.

Sec. 10. ARBITRAL/JUDICIAL FORECLOSURE—DEFICIENCY JUDGMENT.

(a) This section applies if:

(1) real property subject to a mortgage is sold at a foreclosure sale under a court judgment foreclosing the mortgage and ordering the sale either when enforcing an arbitration award or in connection with an original court proceeding; and

(2) the price at which the real property is sold is less than the unpaid balance of the indebtedness secured by the real property, resulting in a deficiency.

(b) Any person obligated on the indebtedness, including a guarantor, may bring an action in the default Arbitration Service Provider of the ZNB or, if the person is not subject to binding arbitration, within the ZNB court system for a determination of the fair market value of the real property as of the date of the foreclosure sale. The demand for arbitration or suit must be brought not later than the 90th day after the date of the foreclosure sale unless the demand for arbitration or suit is brought by a guarantor who did not receive actual notice of the sale before the date of sale, in which case the demand for arbitration or suit must be brought by the guarantor not later than the 90th day after the date the guarantor received actual notice of the sale. The fair market value shall be determined by the finder of fact after the introduction by the parties of competent evidence of fair market value. The sale price of the real property at the foreclosure sale shall constitute competent evidence of fair market value. Competent evidence of fair market value may also include: (1) expert opinion testimony; (2) comparable sales; (3) anticipated marketing time and holding costs; (4) cost of sale; and (5) the necessity and amount of any discount to be applied to the future sales price or the cash flow generated by the property to arrive at a fair market value as of the date of the foreclosure sale.

(c) If the finder of fact determines that the fair market value is greater than the sale price of the real property at the foreclosure sale, the persons obligated on the indebtedness, including guarantors, are entitled to an offset against the deficiency in the amount by which the fair market value, less the amount of any claim, indebtedness, or obligation of any kind that is secured by a lien or encumbrance on the real property that was not extinguished by the foreclosure, exceeds the sale price. If no competent evidence of fair market value is introduced, the sale price at the foreclosure sale shall be used to compute the deficiency.

(d) Any money received by a lender from a private mortgage guaranty insurer shall be credited to the account of the borrower before the lender brings an action at law for any deficiency owed by the borrower. However, the credit required by this subsection does not apply to the exercise by a private mortgage guaranty insurer of its subrogation rights against a borrower or other person liable for any deficiency.

Sec. 11. JUDICIAL OR NONJUDICIAL FORECLOSURE AFTER JUDGMENT AGAINST GUARANTOR--DEFICIENCY.

(a) This section applies if:

(1) the holder of a debt obtains a court judgment or arbitration award against a guarantor of the debt;

(2) real property subject to a mortgage securing the guaranteed debt is sold at a foreclosure sale under Section 3 or under a court judgment foreclosing the mortgage and ordering the sale either when enforcing an arbitration award or in connection with an original court proceeding;

(3) the price at which the real property is sold is less than the unpaid balance of the indebtedness secured by the real property, resulting in a deficiency; and

(4) a motion or suit to determine the fair market value of the real property as of the date of the foreclosure sale has not been filed under Sections 9 or 10.

(b) The guarantor may bring an action default Arbitration Service Provider of the ZNB or, if the guarantor is not subject to binding arbitration, within the ZNB court system for a determination of the fair market value of the real property as of the date of the foreclosure sale. The arbitration demand or suit must be brought not later than the 90th day after the date of the foreclosure sale or the date the guarantor receives actual notice of the foreclosure sale, whichever is later. The fair market value shall be determined by the finder of fact after the introduction by the parties of competent evidence of the fair market value. The sale price of the real property at the foreclosure sale shall constitute competent evidence of fair market value. Competent evidence of fair market value may also include: (1) expert opinion testimony; (2) comparable sales; (3) anticipated marketing time and holding costs; (4) cost of sale; and (5) the necessity and amount of any discount to be applied to the future sales price or the cash flow generated by the property to arrive at a fair market value as of the date of the foreclosure sale.

(c) If the finder of fact determines that the fair market value is greater than the sale price of the real property at the foreclosure sale, the persons obligated on the indebtedness, including guarantors, are entitled to an offset against the deficiency in the amount by which the fair market value, less the amount of any claim, indebtedness, or obligation of any kind that is secured by a lien or encumbrance on the real property that was not extinguished by the foreclosure, exceeds the sale price. If no competent evidence of fair market value is introduced, the sale price at the foreclosure sale shall be used to compute the deficiency.

(d) Any money received by a lender from a private mortgage guaranty insurer shall be credited to the account of the borrower before the lender brings an action at law for any deficiency owed by the borrower. However, the credit required by this subsection does not apply to the exercise by a private mortgage guaranty insurer of its subrogation rights against a borrower or other person liable for any deficiency.

Sec. 12. RIGHT OF REDEMPTION, RELEASE AND SALE CANCELLATION

Notwithstanding anything to the contrary set forth in this ZNB Mortgage Foreclosure Sale Statute, with respect to a mortgage that exclusively secures a monetary obligation, the debtor(s) may effect a release of the mortgage and a cancellation of the sale of the real property subject to a mortgage, by sending and ensuring the mortgagee receives an amount in cash, by wire or certified funds sufficient to pay off the indebtedness secured by the mortgage ("redemption payment"), and giving the trustee notice of such redemption payment, within 30 days after the notice of sale is given. However, this redemption right may be knowingly and voluntarily waived by debtor(s) in the mortgage or related note.

Sec. 13. ABUSE OF PROCESS

(a) It is an abuse of process under the ZNB Mortgage Foreclosure Sale Statute, if the mortgagee causes the sale of real property subject to a mortgage to proceed under Section 3:

(1) in the absence of a power of sale clause in the mortgage;

(2) in the absence of a breach of an express term of the mortgage; or

(3) despite the timely and conforming exercise of the redemption right in Section 12.

(b) In the event of an abuse of process under Section 13(a):

(1) the mortgagee shall forfeit its right to pursue collection of a deficiency judgment under Sections 9 through 11, which forfeiture may be interposed as a complete defense to any such deficiency judgment proceeding;

(2) the mortgagee shall be liable to debtor(s) in an amount equal to the fair market value of the real property subject to the mortgage at the time of sale, which liability may be enforced by an action at law; and

(3) in any action in which Section 13(b)(1) or (2) are enforced, the debtor(s) shall be entitled to recover court costs, attorneys fees, and litigation expenses from the mortgagee upon prevailing.

Sec. 14. CONSTRUCTION OF LAW, CONFORMING AMENDMENTS, EFFECTIVE DATE.

(a) Notwithstanding anything to the contrary set forth in the RCLC, §2-3-4-0-5-0-5004, to the extent that foreign precedent or law is considered in the interpretation of the ZNB Mortgage Foreclosure Sale Statute, such consideration shall be guided by court precedent concerning substantively similar provisions of the law of the State of Texas, including, without limitation, court precedent interpreting the meaning of "fair market value."

(b) All relevant provisions of the RCLC, §2-3-4-0-3-2-3203, shall be amended and construed to adopt the definition of transfer/notation instrument in Section 2(b) in all relevant applications; and to the extent that the terms "conveyance," "deed" or "instrument of conveyance" under the RCLC are applied in a context that is governed by the ZNB Land Title Law 2019, such terms are hereby amended to be construed as the equivalent of the corresponding sense of transfer/notation instrument under the ZNB Land Title Law 2019.

(c) The definition of "mortgage" in Part 1, Article 5(1) of the ZNB Land Title Law 2019, is hereby amended to include the definition of mortgage in Section 2(f) in all relevant applications.

(d) The ZNB Council Secretary is authorized and directed to revise the published versions of the RCLC and ZNB Land Title Law 2019 to include appropriate cross-references to this ZNB Mortgage Foreclosure Sale Statute in regard to the constructional amendments made in Section 12(b) and (c), and otherwise to ensure reasonable conformity between and among such laws consistent with their expressed intent and purpose.

(e) This ZNB Mortgage Foreclosure Sale Statute shall be deemed to have retroactive effect to the effective date of the ZNB Land Title Law 2019 except where such retroactive effect might be unlawful or impair substantive rights, and in such case the effective date shall be no later than sixty (60) days after the initial presentment of this ZNB Mortgage Foreclosure Sale Statute to CAMP if the same is not disapproved by CAMP (following adoption by the ZNB pursuant to article 3.9(11)(a) of ZNB Charter) or otherwise the earliest date permissible under applicable rule.

(f) Upon its effective date, this ZNB Mortgage Foreclosure Sale Statute shall control and supersede, to the extent of any inconsistency, any rule with an earlier effective date as well as any rule with the same effective date which was adopted earlier by the ZNB (and which is of equivalent or subordinate status in the hierarchy of rules under article 3.9(11) of the ZNB Charter).

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Article I: Title and definitions

1.01 Title

This legislation may be cited as the *Charter and Bylaws of the Village of North Bay*.

1.02 Definitions

In this Charter and Bylaws the following terms have the following meanings:

(a) "applicable law" means those laws that apply in the Village of North Bay, including:

(i) laws applicable to ZEDEs as defined in article 329 of the Constitution of the Republic, and articles 8 and 41 of ZEDE Organic Law;

(ii) this Charter and Bylaws and the statutes, regulations, ordinances and resolutions adopted by the Village of North Bay in strict accordance with this Charter and Bylaws;

(iii) contracts, including agreements of coexistence and legal stability agreements, formed by the Village of North Bay; and

(iv) binding decisions of judges or arbitrators with jurisdiction over the matter in question.

(b) "CAMP" means Comité para la Adopción de Mejores Prácticas as mentioned in the ZEDE Organic Law.

(c) "Charter and Bylaws" means this Amended and Restated Charter and Bylaws of the Village of North Bay except where express reference to the original August 23, 2018 Charter and Bylaws is made.

(d) "Council" means the Council of the Village of North Bay established under this Charter and Bylaws.

(e) "days" means consecutive calendar days, unless otherwise specified. When this Charter and Bylaws requires an act to be performed within a certain number of days, the period shall extend to the next business day if the last day to perform the act falls on a weekend or holiday in the Village of North Bay.

(f) “eligible council member” means a council member who is entitled to vote under section 3.02 (Composition of Council) and who does not have an unresolved conflict of interest and is not otherwise prohibited by law from voting.
(g) “General Service Provider” means an entity appointed in accordance with Article VII to provide delegated services in the Village of North Bay.
(h) “high population density” means when the average population density of the area within the Village of North Bay exceeds low population density.
(i) “landowners” means natural or legal persons who have fee title to at least one square meter of land within the Village of North Bay, and whose title is recorded in the Village of North Bay register.
(j) “low population density” means when the average population density of the area within the Village of North Bay is below the average for rural areas in Honduras. At the time of original enactment of this Charter and Bylaws, low population density exists when there are fewer than 35 permanent inhabitants per square kilometer on average, as certified by the Instituto Nacional de Estadística Opinion of 31 August 2015.
(k) “Promoter and Organizer” means the party that initially applied for ZEDE status for land within the boundaries of the Village of North Bay and registered the boundaries with CAMP and is therefore entitled to all rights and duties conferred under the Decree No. 120-2013. It is herein recognized that Sociedad Para el Desarrollo Socioeconómico de Honduras, LLC, a Delaware, USA company, (“SDEH”) is the sole Promoter and Organizer of the Village of North Bay.
(l) “Republic of Honduras” means the State of Honduras including all branches, all departments, and all levels of government.
(m) “residents” means, unless otherwise specified, both natural and legal persons who are registered as residents in the Village of North Bay Personal Registry (11.06 (1) (b and c)) and have a valid, unterminated Agreement of Coexistence.
(n) “urban population density” means when the average population density of the Village of North Bay is above 6,000 natural person residents per square kilometer.
(o) “ZEDE” means Zonas de Empleo y Desarrollo Económico as defined in article 329 of the Constitution of the Republic.
(p) “ZEDE Organic Law” means Decreto No. 120-2013.
(q) The legal names of the Village of North Bay include the “ZEDE Village of North Bay,” the “ZEDE of North Bay” and the “ZNB,” any of which may be utilized to identify and legally bind the Village of North Bay, and all of which shall be deemed to relate to the same special regime zone governed under this Charter and Bylaws.

Article II: Incorporation and powers

2.01 Incorporation of the ZEDE Village of North Bay

(1) Effective December 29, 2017, the Village of North Bay was incorporated and established as a special regime zone in the form of a ZEDE.
(2) The Village of North Bay has perpetual succession.
(3) The Village of North Bay possesses all the rights, privileges, and duties of a ZEDE in the Republic of Honduras and has its own legal personality in the nature of a municipal corporation with special regime zone status under the ZEDE Organic Law.

(4) The boundaries of the Village of North Bay shall encompass all of the real property incorporated into it within the special ZEDE registry according to Art 26 of the ZEDE Organic Law administered by the CAMP, provided that any property incorporated into the Village of North Bay on or after June 1, 2019 shall require the prior approval by resolution of the ZEDE of North Bay Council and Technical Secretary.
(5) The boundaries of the Village of North Bay may be published by resolution in the form of an official map from time to time.

2.02 Composition of the Village of North Bay

The Village of North Bay shall consist of:

(a) The Technical Secretary
(b) the Village of North Bay Council of which the Technical Secretary shall be a member; and
(c) such other personnel and departments as determined by the Council.

2.03 Purpose of the Village of North Bay

The purpose of the Village of North Bay is to promote human flourishing by protecting the individual rights of life, liberty, and property; furthermore, facilitating Honduras' integration into world markets, attracting domestic and foreign investment, creating jobs, and allowing a sustained improvement of the living conditions of its residents.

2.04 Powers of the Village of North Bay

The Village of North Bay has the following powers, subject to the restrictions in this Charter and Bylaws and any other applicable laws:

(a) to use a corporate seal;
(b) to sue and be sued;
(c) to form agreements in the form of contracts or other instruments with public or private parties;
(d) to acquire, develop, maintain, operate, or sell property in the same way as a corporation operating under applicable laws within the boundaries of the Village of North Bay;
(e) to create experimental zones with rules that differ from the rest of the Village of North Bay within its own jurisdiction with the prior consent of CAMP;
(f) to give, receive, and manage funds in any form, including loans, grants, gifts, sale proceeds, equity investments, service charges, fees, fines and taxes;
(g) to issue bonds, promissory notes, and other instruments;
(h) to propose rules, including rules about taxes and land transactions, to CAMP for application in the Village of North Bay;
(i) to regulate its internal affairs and personnel;
(j) to provide public services and charge for their use, including police, courts, law enforcement, and public infrastructure;
(k) to regulate activities for purposes of public health, safety, and welfare both within and outside its boundaries;

(l) to prescribe by regulation or resolution a code of ethics and rules for resolving conflicts of interest;
(m) to enforce arbitration awards through administrative or executive action;
(n) to enforce applicable law; and
(o) to do all things necessary or convenient for carrying out the powers in this Article, including delegation to a General Service Provider, as limited by and subject to the terms of any governing legal stability agreement.

2.05 Other entities

(1) The Village of North Bay may, by agreement, assume, transfer, consolidate, or coordinate functions with other governmental or non-governmental entities according to Articles 3 and 4 of the ZEDE Organic Law.
(2) The Village of North Bay shall select and delegate responsibilities to separate service providers, including a General Service Provider, as provided in Article VII, among other service providers as deemed necessary.

2.06 Electronic residency

(1) E-residency for individuals and legal persons shall be permitted in the Village of North Bay.
(2) The details for establishing e-residency shall be laid down by regulation.

Article III: Village of North Bay Council

3.01 Rulemaking and executive power of Village of North Bay vested in Council

All rulemaking and executive power of the Village of North Bay is exercised by the Technical Secretary only with the prior consent of the Village of North Bay Council.

3.02 Composition of Council

(1) The Council shall consist of the following nine natural persons who are entitled to vote at meetings of the Council:
(a) the Technical Secretary;
(b) a Secretary;
(c) a Treasurer; and
(d) six other council members.
(2) The Council members shall be automatically appointed as ad-hoc secretaries by the Technical Secretary in accordance with Article 12(8) of the ZEDE Organic Law.
(3) A Vice Technical Secretary shall serve as a council member who is not entitled to vote at meetings of the Council, except if he or she simultaneously serves as one of the council members who are entitled to vote under subsection (1) of this section, or in the absence of the Technical Secretary in accordance with section 4.05 (Vice Technical Secretary).
(4) The Council may, from time to time as needed, appoint and remove other council advisors who are not entitled to vote at meetings of the Council.

3.03 The Secretary of the Council

(1) The Secretary shall give notice of all meetings of the Council to each council member except where notice is waived by unanimous consent of all eligible council members.
(2) The notice of a meeting shall state what business is to be transacted at the meeting.
(3) The Secretary shall keep an up-to-date list of the eligible council members and council members not entitled to vote.
(4) The Secretary has the authority to certify any records, or copies of records, as the official records of the Village of North Bay, as well as to act as the revisor of charter amendments, statutes, regulations, ordinances, and resolutions, which includes authority to establish and conform the same to standard codification styles and standards adopted by resolution, as well as to correct typographical errors, provided that (a) such revisions do not substantively alter the original text and (b) a record of the original text is maintained for review at all times upon reasonable notice by residents, the Council and CAMP.
(5) The Secretary shall keep the minutes of the Council meetings.
(6) The Council shall elect and may replace the Secretary from among the eligible council members; however, all such actions require a two-thirds majority of the whole number of members of the Council..
(7) The Secretary shall serve a one-year automatically renewable term.

3.04 The Treasurer of the Council

(1) The Treasurer shall be responsible for:
    (a) overseeing the financial affairs of the Village of North Bay;
    (b) presenting reports of the Village of North Bay's finances to the Council as required, but at least once each quarter; and
    (c) reviewing the financial audit of the Village of North Bay.
(2) The Council shall elect and may replace the Treasurer from among the eligible council members.
(3) The Treasurer shall serve a one-year automatically renewable term.

3.05 Meetings of the Council

(1) The Council shall hold regular meetings at least twice per year in accordance with an internally approved schedule issued by the Secretary.
(2) Special meetings may be called by the Technical Secretary, by the Secretary, or by any three eligible council members, on 24-hour's notice to all council members.
(3) Upon request of the Technical Secretary, or by the Secretary, the Council may act or ratify an action without a meeting through an appropriate memorialization of such action reflecting unanimous votes of all eligible council members expressed in writing physically or electronically before, during or after the action, provided that such memorialization is published.
(4) Council members may waive any notice requirement in writing physically or electronically before, during or after the meeting.
(5) Attendance at the meeting or the granting of unanimous consent to any Council act shall constitute a waiver of any notice requirement as well as any other procedural objection if

all eligible council members are present or consenting and none concurrently object in writing to the proceeding or act.

(6) The notice of the special meeting shall state what business is to be transacted at the special meeting.

(7) Meetings may be conducted either in person or by remote communication.

(8) Council members participating in meetings by remote communication shall be deemed present and may vote at such a meeting if the Village of North Bay has implemented measures to provide all council members a reasonable and equal opportunity to participate in the meeting and to vote on matters before the Council, including an opportunity to communicate and to hear the proceedings of the meetings, substantially contemporaneously with the proceedings. A proper record of said remote participation as determined by the Secretary must be kept for verification purposes.

(9) Either each voting member shall verifiably manifest their vote in any form prescribed by the Secretary or the Secretary, or such person as he or she may delegate, shall record the votes of each council member for all final decisions.

(10) The Secretary shall send minutes of each regular and special meeting to all council members no later than two weeks after the meeting; a reliable record of unanimous consent or vote in favor of an act of the Council by all eligible members may substitute for minutes in the discretion of the Secretary.

3.06 Quorum of the Council

(1) Five out of the nine eligible council members shall constitute a quorum for the transaction of business at a meeting, provided that the Secretary or his designee are among those present. The council members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough council members to leave fewer than a quorum, provided that the Secretary or his designee are among those present.

(2) Nothing in this Charter and Bylaws shall prevent a smaller number from transacting business by a majority vote of council members present to the extent necessary to:

  (a) fill vacancies in the membership of the Council when no quorum can be assembled except by filling the vacancies; or

  (b) make urgent decisions necessitated by emergencies provided that at least three eligible council members are present. The Council shall meet as soon as a quorum can be assembled and vote to either ratify or terminate the emergency decision. Terminations of emergency decisions shall only have prospective effect. Emergency decisions shall be deemed ratified if they are not terminated and vacated within two subsequent meetings of the Council.

3.07 Voting by the Council

(1) Voting on any final decision shall be taken by voice vote or in writing physically or electronically.

(2) Votes shall be either yes, no, or abstain.

(3) The votes of council members who are not present, and the votes of council members who are present but cast abstain votes, shall be counted as abstentions.

(4) Abstentions and open seats shall not be counted for the purposes of approving or disapproving of a decision.
(5) All eligible council members, including the Technical Secretary, shall have one vote on all decisions.
(6) If there is an equality of votes, the vote is taken to have been a no vote.
(7) Votes may be submitted by electronic transmission. Verifiable electronic records shall be kept in those cases.
(8) An electronic transmission must either be set forth in, or be submitted with, information from which it can be determined that the electronic transmission was authorized by an eligible council member, as determined by the Secretary.
(9) Unless otherwise provided by the applicable law, action by the Council shall be taken by a majority vote of all eligible council members; however, any action by the Council that would impair the investment-backed expectations of any resident, including the termination of any contract, shall require a two-thirds vote of all eligible council members..

3.08 Appointment and term of Council members

(1) The Council, other than the Technical Secretary, shall initially consist of:
    (a) four persons who are selected by the Promoter and Organizer; and
    (b) two persons who are selected by all legal or natural persons who are residents within the Village of North Bay, as provided in section 6.02 (Votes based on residence); and
    (c) two persons who are selected by all landowners within the Village of North Bay, as provided in section 6.01 (Votes based on ownership).
(2) Council members shall serve seven-year terms.
(3) There shall be no limit on the number of terms that a council member may serve.
(4) If, at any time after the initial seven years, the Village of North Bay becomes an area of urban population density, the two council members previously selected by the landowners shall be selected, when due for regular re-selection, by vote of all legal and natural persons who are residents in accordance with section 6.01 (Votes based on residence).
(5) The selection of council members other than the Technical Secretary shall not be subject to CAMP approval or disapproval.

3.09 Rules of the Village of North Bay

(1) This Charter and Bylaws shall be the sole organic rule of the Village of North Bay and shall be superior to all other rules enacted by the Village of North Bay.
(2) The primary instruments of governance in the Village of North Bay shall be Agreements of Coexistence, which include legal stability provisions, entered into between the Village of North Bay and persons who give informed consent to the agreements, as provided in Articles 10 and 12 of the ZEDE Organic Law. The form or titling of such Agreements of Coexistence may vary in the discretion of the Secretary.
(3) Only legal and natural persons with a valid Agreement of Coexistence are entitled to be physical residents in the Village of North Bay.
(4) The Village of North Bay may not unilaterally modify or terminate the Agreements of Coexistence except in strict accordance with the terms contained in the agreements.

(5) Agreements of Coexistence shall:
    (a) be approved by a simple majority of the Council;
    (b) be binding on all successive administrations of the Village;
    (c) respectful of human rights as nationally and internationally recognized, and may also include express guarantees of human rights above this baseline provided that, to the greatest extent permitted by the ZEDE Organic Law, all such rights shall be construed in accordance with the first principle that all competent natural persons of majority age shall be protected under the law as independent and self-responsible individuals who are entitled to freedom of action and enjoyment of their property subject to the like freedom of others;
    (d) not violate the ZEDE Organic law; and
    (e) not be subject to the approval or disapproval of CAMP.

(6) The Technical Secretary, upon approval from the Council, shall approve template contracts in advance and submit them to CAMP for review and delegate the decision to accept new residents to the General Service Provider.

(7) The Village of North Bay may choose to not accept residents or new lands for any reason consistent with applicable law.

(8) The criteria for determining to admit residents or lands shall be applied equally for all persons and properties, and shall take into account factors including, but not limited to:
    (a) available space;
    (b) the ability to manage growth;
    (c) the reputation and social harmony of the Village of North Bay; and
    (d) in the case of new potential residents:
        (i) their ability to pay applicable taxes and fees; and
        (ii) their criminal record.

(9) Unemancipated minors and natural persons not deemed competent to enter into a contract with the Village of North Bay shall be covered as third-party beneficiaries under the agreements formed with their parents or legal guardians.

(10) E-residents, non-residing landowners, and other persons or groups warranting special treatment shall receive modified versions of the Agreements of Coexistence.

(11) The Technical Secretary, with approval from the Council, may only adopt or repeal the following types of rules for the Village of North Bay, which shall have the following hierarchy: statutes, regulations, ordinances, and resolutions:
    (a) Statutes shall set forth the generally applicable law for the Village of the North Bay. Statutes shall be newly enacted, amended, or revoked by the Technical Secretary, only after obtaining a vote of two-thirds of eligible council members. If the Council newly enacts or amends a statute, the Technical Secretary shall present the statute to CAMP for approval or disapproval in accordance with Article 12(5) of the ZEDE Organic Law. If CAMP neither approves nor disapproves of a submitted statute within 60 days after presentation, the statute shall be deemed approved.
    (b) Regulations shall provide detail on how statutes are to be administered and enforced. Regulations shall be newly enacted, amended, or revoked by the Technical Secretary, only after obtaining a vote of two-thirds of the eligible council members.

(c) Ordinances shall, in accordance with Article 12(9) of the ZEDE Organic Law, serve as temporary resolutions to ensure the efficient delivery of public services or to promote competition in certain markets. Ordinances shall be newly enacted, amended, revoked, or renewed by a simple majority of the eligible council members. An ordinance shall expire no later than 12 months after its enactment unless renewed.

(d) Resolutions shall govern the authorization, execution and administration of the corporate affairs and procedures of the Village of North Bay, including entry into binding contracts, implementation of the structure and services of governance, including the designation of departments and officers that are subordinate to the Technical Secretary, Council or Trust, the specific organization of registries authorized by Charter or statute, as well as binding policies for the interpretation, administration and enforcement of rules, and the establishment of fees to defray the costs of administration. Resolutions shall be newly enacted, amended, or revoked by a simple majority of the eligible council members.

(12) If a statute or regulation is revoked by the Technical Secretary after being voted by the Council, the Technical Secretary shall provide CAMP with notice and a detailed explanation of the reasons for the revocation and request affirmation of the revocation. The Technical Secretary shall provide this notice, explanation, and request no later than 5 days prior to the effective date of the revocation, unless CAMP explicitly allows the revocation to become effective sooner.

(13) If, at any time, the Village of North Bay has a population of more than 100,000 natural persons, residents may repeal statutes or regulations of the Village of North Bay enacted after this date, by referendum, held in accordance with Article VI.

3.10 Qualifications of council members

(1)To be selected as council members, individuals must have:

(a) a proven commitment to high ethical standards, trustworthiness, and professionalism; and

(b) successful business experience or comparable strong management and leadership experience.

(c) Not being convicted of a serious crime that might question the suitability for being a member of the Council.

(2) Council members names, resumes and any other relevant information will be made public.

3.11 Conflict of interest of council members

(1) All council members shall disclose to the Council both actual and potential conflicts of interests.

(2) A potential conflict of interest exists when a council member has private-capacity interests that could improperly influence the performance of his or her official duties and responsibilities.

(3) The following shall not be deemed as directly or indirectly giving rise to conflict of interest provided that the fact is disclosed or publicly known:
    (a) owning land within the ZEDE of North Bay;
    (b) being or having the rights of a shareholder, owner, member, partner or officer of the General Service Provider or its owner(s);
    (c) Being or having the rights of a shareholder, owner, member, partner or officer or other financial beneficiary of SDEH or any affiliated company (including affiliated investment vehicles);
    (d) earning compensation in accordance with section 3.12 (Compensation).
(4) A conflict of interest in relation to a proposed action may be resolved by demonstrating that the proposed action is commercially reasonable, equivalent to what would result from an arm's length transaction, or otherwise consistent with the council member's official duties and responsibilities.
(5) Council members with an unresolved conflict of interest shall exclude themselves from voting and any discussion of related matters that may be under consideration by the Council. They still count as present members for the quorum according to section 3.06(1).
(6) Conflicts of interest shall not be a basis of challenging any council vote, rule or action of the Village of North Bay if no objection based on the asserted conflict of interest is raised at a regular meeting of the Council or in a ZNB Court within sixty (60) days of the publication of the vote, rule or action.

3.12 Compensation

(1) The compensation of the council members shall be proportionate to the performance of the Village of North Bay over the preceding year.
(2) The Promoter and Organizer shall determine the methodology for determining compensation for the initial seven years.
(3) The Council may alter this methodology through regulation. However, the altered rate shall not take effect until the subsequent term of council members.

3.13 Inquiries and investigations

(1) The Council may make inquiries and investigations into:
    (a) the affairs of the Village of North Bay; and
    (b) the conduct of any resident or other person within the Village of North Bay.
(2) For this purpose, the Council may subpoena witnesses, administer oaths, take testimony and require the production of evidence.
(3) Any person who fails or refuses to obey a lawful order issued in the exercise of these powers shall be punished as provided by applicable law.

3.14 Vacancy of council member's seat

(1) A council member's seat, including the Technical Secretary's seat, becomes vacant when the incumbent of the seat:
    (a) dies;

(b) resigns, on written notice to either the Technical Secretary or the Secretary of the Council, unless the notice specifies a later time for the effectiveness of the resignation; or
(c) is removed from his or her seat pursuant to section 3.15 (Removal and suspension of council members).

(2) If a council member seat, other than the Technical Secretary's seat, becomes vacant at any time before the end of a seven-year term, a new council member shall be selected in the way that the former council member was selected for that seat no later than 90 days after the vacancy occurs.
(3) The new council member shall serve the remaining term of his or her predecessor.
(4) If the Technical Secretary's seat becomes vacant at any time before the end of a seven-year term, the Vice Technical Secretary shall immediately assume the position of Technical Secretary according to the procedure outlined in section 4.05.

3.15 Removal and suspension of council members

(1) The Council shall, by simple majority, remove a council member from his or her seat, or request CAMP to remove the Technical Secretary, if and only if he or she:
(a) is convicted of a felony under the applicable law in the Village of North Bay;
(b) is found to have committed a serious violation of his or her official duties, including a violation of the conflict of interest or ethics rules of the Village of North Bay or other relevant rules and regulations;
(c) acts in a way that is inconsistent with this Charter and Bylaws and fails to remedy the inconsistency within a reasonable timeframe after being informed of the inconsistency by the Secretary of the Council or another council member;
(d) is the subject of a written opinion by a registered medical practitioner who is treating the council member stating that the council member has become physically or mentally incapable of acting as a council member and may remain so for more than three months;
(e) is an eligible council member and has been absent from 3 consecutive, regular Board meetings, not counting any Board meeting for which the council member's absence was excused by majority vote of the other eligible council members; and
(f) in the case of the Technical Secretary, he or she breaches, or does not form within 3 days after being formally installed as Technical Secretary, an agreement with the Promoter and Organizer to comply with this Charter and Bylaws and the Trust Agreement, as provided in section 4.03 (Appointment of the Technical Secretary and Vice Technical Secretary).

(2) Council members, including the Technical Secretary, may be removed by recall at any time by the groups that selected them under section 3.08 (Appointment and term of council members). Recall by landowners or residents shall be in accordance with the rules for voting and referenda in Article VI.
(3) CAMP shall, on its own initiative, remove the Technical Secretary, if it finds that he or she is subject to removal under subsection (1). CAMP's competencies from Article 11 of the ZEDE Organic Law remain thereby unaffected.

(4) If the Council votes to propose removal of the Technical Secretary under subsection (1), it shall submit its decision directly to CAMP for approval or disapproval. If CAMP neither approves nor disapproves of the decision within 45 days after presentation, the removal shall come into effect automatically.

3.16 Committees of the Council

(1) To the extent permitted by applicable law, the Council may appoint from its members a committee or committees, temporary or permanent, and designate the duties and powers of the committees.
(2) A committee may invite outside experts or other personnel to advise or assist it with its responsibilities.

3.17 Liability

(1) Neither the Village of North Bay, nor any natural or legal person which it includes or is affiliated with, enjoys sovereign immunity except that monetary liability for an unintentional or negligent act or omission, including claims for compensatory or exemplary damages, as well as court costs, litigation expenses, attorneys fees, shall be limited to an aggregate amount that does not exceed the greater of: (a) the limits of available insurance coverage(s) for the relevant cause of action; or (b) the difference in the immediately preceding calendar year between (i) 15% of aggregate tax and fee revenues received by or on behalf of the Village of North Bay and General Service Provider and (ii) the booked liability for all other known or threatened causes of action against the Village of North Bay.
(2) The Technical Secretary, and all other council members, hereby waive any claim to sovereign immunity that he or she might otherwise have enjoyed with regard to suits and enforcement, toward all parties, for any acts or omissions done in violation of applicable law, contract, or agreement.
(3) The Village of North Bay may pay for a liability insurance for the council members and other officers for acts done in an official capacity on behalf of the Village of North Bay.

Article IV: Technical Secretary and Vice Technical Secretary

4.01 Office of the Technical Secretary

(1) The Office of Technical Secretary is hereby established as a legal person.
(2) The Office of Technical Secretary:
    (a) shall have perpetual succession;
    (b) shall have the power to form agreements that are binding upon successive office holders and administrations; and
    (c) may sue and be sued without protection of sovereign immunity.

4.02 Duties of the Technical Secretary

(1) The Technical Secretary shall serve as:
    (a) the head of the Office of the Technical Secretary;
    (b) the chairperson of the Village of North Bay Council;
    (c) the creator of the Village of North Bay Trust; and

(d) the representative of the Village of North Bay before the public.

(2) In the capacity of head of the Office of Technical Secretary, the Technical Secretary shall have the exclusive authority to act on behalf of the office in any way consistent with applicable law.

(3) In the capacity of chairperson of the Village of North Bay Council, the Technical Secretary shall:
    (a) chair all meetings of the Council;
    (b) assess and make recommendations regarding the effectiveness of the Council;
    (c) coordinate an annual performance review of personnel and departments of the Village of North Bay and other entities covered under section 2.05 (Other entities);
    (d) sign documents on behalf of the Village of North Bay that have been authorized by the Council; and
    (e) appoint ad-hoc secretaries according to section 3.02(2), or in other cases, provided the approval of the Council is present.

(4) In the capacity of representative of the Village of North Bay, the Technical Secretary shall:
    (a) hold public events to share information with residents and listen to their input;
    (b) organize cultural events and associations, including fiestas, parades, ceremonies, and other activities that help build social cohesion and a community identity;
    (c) Build relationships with outside parties, including Honduran authorities, agencies and organizations;
    (d) build relationships with residents and receive and respond to their complaints;
    (e) raise issues of public concern with, and propose resolutions to, the Council and personnel, as needed;
    (f) name important public landmarks and locations, including roads, parks, rivers, districts, and monuments;
    (g) only enact, amend or revoke rules after the respective vote by the Council; and
    (h) perform other duties as determined by the Council.

4.03 Appointment of the Technical Secretary and Vice Technical Secretary

Selection during low-population-density scenarios

(1) When the Village of North Bay has low population density, the Promoter and Organizer shall select a nominee for the position of Technical Secretary and a nominee for the position of Vice Technical Secretary.

(2) The Promoter and Organizer shall then submit its nominees for the positions of Technical Secretary and Vice Technical Secretary to CAMP for approval or disapproval.

Selection during high-population-density scenarios

(3) If, at the end of the term of a Technical Secretary, the Village of North Bay has high population density, the residents of the Village of North Bay shall, if no other laws apply and determine a different procedure, in accordance with section 6.02 (Votes based on Residence) and 6.05 (Accessibility of Public Office), select a nominee for the position of Technical Secretary and his or her chosen running mate, who shall be nominee for the position of Vice Technical Secretary.

(4) If no candidate receives a majority of votes after the initial round of voting, the Council or its special inspector organizing and supervising the election in accordance with section 6.04 shall select the two candidates for the position of Technical Secretary, who received the highest number of votes and hold a runoff election between the two candidates.
(5) The candidate who receives the largest number of votes after the run-off selection procedure shall be certified as the winner.
(6) The Council shall then submit the nominees for the positions of Technical Secretary and Vice Technical Secretary to CAMP for approval or disapproval.
(7) No person shall be eligible as a candidate for Technical Secretary or Vice Technical Secretary, nor shall be listed on any ballots for those positions, without first forming a legally binding pre-appointment agreement with the Promoter and Organizer of the Village of North Bay that obligates the person to, if appointed, form a legally binding agreement obligating the person to abide by the Charter and Bylaws and Trust Agreement in both a personal and official capacity.
(8) The pre-appointment agreement shall be substantially similar to the pre-appointment agreement formed with the previous Technical Secretary and Vice Technical Secretary.

CAMP approval or disapproval

(9) CAMP's decision on all nominees submitted to it under this section for the position of Technical Secretary shall be in accordance with CAMP's internal procedures and applicable law.
(10) The Vice Technical secretary shall be subject to same requirements as the Technical Secretary. CAMP shall review the eligibility of candidates for Vice Technical Secretary to become, if necessary, Technical Secretary and shall confirm, in writing, its findings regarding eligibility.
(11) If CAMP does not explicitly approve or disapprove of a nominee within 45 days after the nominee has been submitted to it, the nominee shall be deemed approved and shall assume the role of Technical Secretary or Vice Technical Secretary, as the case may be.
(12) No later than 3 days after being formally installed as Technical Secretary, the Technical Secretary shall form an agreement with the Promoter and Organizer obligating himself or herself in both a personal and official capacity to abide by this Charter and Bylaws and the Trust Agreement.
(13) The agreement shall be the same as the agreement formed with the previous Technical Secretary, unless the parties agree otherwise.
(14) The Technical Secretary's term shall be as provided in the ZEDE Organic Law.
(15) The Vice Technical Secretary's term shall be the same length as that of the Technical Secretary.

4.04 Exercise of legal powers of the Technical Secretary

The Technical Secretary shall exercise his rule making and executive powers if, and only if, the Council has approved of the action to be taken as provided in Articles III and IV. The Technical Secretary shall carry out any action approved by the council in accordance with the terms of the approval and all other Applicable Law.

4.05 Vice Technical Secretary

(1) The Vice Technical Secretary shall serve as Acting Technical Secretary in the absence or suspension of the Technical Secretary, exercising its powers by delegation from the Technical Secretary.
(2) If the Technical Secretary's position becomes vacant, the Vice Technical Secretary shall submit his candidacy for the position of Technical Secretary to CAMP for approval.
(3) If CAMP's findings according to its decision in section 4.03. (10) are unchanged, it will immediately approve the candidacy. Following, the Vice Technical Secretary shall assume the role of Technical Secretary and serve the remainder of the previous Technical Secretary's term.
(4) The Vice Technical Secretary shall perform such other duties as deemed necessary or appropriate by the Council.

Article V: Village of North Bay Trust

5.01 Establishment of the Trust

(1) The Technical Secretary shall establish a trust, known as the Village of North Bay Trust, ZEDE of North Bay Trust, or ZNB Trust.
(2) This Trust may be established as a common law trust, which may consist of subaccounts, that, subject to the terms and conditions of its governing trust agreement:
    (a) performs the duties required of it by the ZEDE Organic Law;
    (b) administers the performance of financial obligations of the Village of North Bay and ensures that all financial activity of the Technical Secretary is also administered through the Trust; and
    (c) functions as a tax collector and steward of funds.
(3) Except to the extent prohibited under section 7.01 (Delegation of Trust responsibilities), the Trust may delegate its duties to the General Service Provider.

5.02 Trust assets and composition

(1) The trust assets will consist of revenue derived from the exercise of the Village of North Bay powers, including taxes, fees, loans, service charges, and any other public property owned by the Village.
(2) The Council shall select a bank, trust company or law firm, which maintains its trust account(s) with a financial institution that has a good international reputation, to serve as trustee of the Trust.
(3) The Council may replace the trustee (fiduciario):
    (a) if the trustee breaches the trust agreement provided under section 5.03 (Use of assets of the Trust);
    (b) if the Council loses confidence in the trustee's solvency, or its ability to faithfully perform its duties as trustee; or
    (c) for other causes stipulated in the trust agreement.

5.03 Use of assets of the Trust

(1) The Technical Secretary as creator and the Council as settlor shall enter into a trust agreement, which shall govern the use and distribution of trust assets in accordance with Articles 44 and 21 of the ZEDE Organic Law and this Charter and Bylaws.

(2) The party represented as recipient of funds distributed in accordance with Article 44 of the ZEDE Organic Law shall be the Republic of Honduras. Such funds shall be held in escrow in the event of claims against the Republic of Honduras that are in connection with events occurring in or about the Village of North Bay.

5.04 Liability

Neither the Village of North Bay Trust, nor its trustee, shall enjoy sovereign immunity of any form with regard to suit or enforcement.

Article VI: Internal selection procedures and internal referenda

6.01 Votes based on ownership of land

For all votes based on ownership of land, landowners shall have one vote for each square meter of land they own within the boundaries of the Village of North Bay, as evidenced by the Village of North Bay's Property Registry. All candidates for the landowners' Council members are elected in one round, whereby the two candidates with the highest number of votes shall be the Council members representing all landowners.

6.02 Votes based on residence

(1) For all votes based on residence, only residents may vote. Persons whose presence or residence is based purely upon e-residence or upon another type of special agreement that explicitly excludes the right to vote are not entitled to vote.

(2) Natural persons may only vote as residents if they are 18 years or older.

(3) For all votes based on residence, each resident has one vote.

6.03 Referenda

(1) Residents may initiate a referendum in the circumstances explicitly provided for under this Charter and Bylaws or other applicable law.

(2) If no other laws apply, the Council or the special inspector engaged under section 6.04 (Conduct of Voting) will organize a referendum if residents submit to it a proposed measure that has a sufficient number or proportion of valid signatures. The Village of North Bay shall adopt a statute specifying the number or proportion of signatures that measures must receive for a referendum to be held, which shall be no greater than 5% of the total persons that would be eligible to vote in the referendum if held.

(3) Measures shall pass by majority of all residents eligible to vote in a referendum.

(4) If other electoral laws and procedures are applicable, the Council or the special inspector shall act as election observer.

6.04 Conduct of Voting

(1) No person is obliged to vote.
(2) Voting shall be direct, free, and secret.
(3) The Council or a special inspector nominated by the Council shall organize and supervise selection procedures and referenda and shall ensure their transparency, fairness, and independence.

(4) The ZEDE of North Bay may establish by statute, regulation or resolution all other procedures relating to voting based on residence.

Article VII: General Service Provider

7.01 Delegation of Trust responsibilities

(1) The Village of North Bay Trust shall recognize the appointment of a legal person to act as a General Service Provider as provided in Section 7.03 and delegate to it, for remuneration, as much responsibility as is practically feasible for the provision of services within the Village.
(2) The duration of the contract with the General Service Provider may be up to 50 years.
(3) Although the General Service Provider may furnish administrative support and coordination services, responsibilities that shall not be delegated to the General Service Provider include:
    (a) Receipt, maintenance, stewardship over, and disbursement of trust assets, including tax collection;
    (b) independent review of the General Service Provider and holding it accountable for its actions; this includes the possibility of an extraordinary termination of the contract for good cause;
    (c) Police; and
    (d) Courts.

7.02 Receipt of funds

(1) The General Service Provider may collect fees in exchange for its services.
(2) When performing functions delegated to it by the Council that are traditionally carried out directly by the government, such as the maintenance of registries, the General Service Provider shall pay the Trust a royalty fee determined by the Council.
(3) In exchange for the functions delegated to it, the Trust shall pay the General Service Provider a proportion of the tax revenue derived from the Village of North Bay as outlined in the trust agreement.
(4) If the Trust or the Village of North Bay itself are not able to generate enough income to cover its obligations, including paying for public services, the General Service Provider or Promoter and Organizer may contribute funds to the Trust or behalf of the Village of North Bay, with disclosure to the Trust, in the form of loans or other undertakings subject to such repayment terms and interest rates as are at a reasonable market value for loans with similar risk profiles in Honduras.

7.03 Process for selecting the General Service Provider

(1) No later than 30 days after the Council has been established, the Council shall form a committee for the selection of the General Service Provider. The committee shall closely involve, and rely upon, the trustee and its input throughout the process of the selection of a General Service Provider.

(2) The committee shall initiate the selection procedures by publicizing a document detailing:
   (a) the duties that the General Service Provider is expected to perform;
   (b) the necessary content of a proposal for selection as a General Service Provider; and
   (c) the criteria the Council will use for review of a proposal for selection as a General Service Provider.

(3) The committee shall first invite the Promoter and Organizer to submit a proposal by itself or an entity designated by it, consistent with the document produced under subsection (2).

(4) The proposal shall include a detailed description of how the Promoter and Organizer, or an entity designated by it, intends to perform the duties of the General Service Provider and its capacity and qualifications for performing those duties.

(5) The committee shall evaluate the proposal against the criteria it has established for review of the proposal and come to an agreement with the trustee about whether to recommend that the Council approve the proposal.

(6) No later than 60 days after receiving the proposal, the committee shall submit its recommendation to the Council and the Council shall vote:
   (a) to approve the proposal; or
   (b) to return the proposal with an explanation of how the proposal fails to meet the criteria.

(7) If the proposal is approved, the Trust and the selected General Service Provider shall enter into a general service contract outlining the rights and responsibilities of both parties, consistent with this Charter and Bylaws, with the expressed consent of the Council.

(8) If the proposal is returned, the Promoter and Organizer or an entity designated by it shall, no later than 90 days after receiving the returned submission, revise its proposal and resubmit it.

(9) The committee shall review the revised proposal and, with the trustee, submit its recommendation to the Council. The Council shall vote:
   (a) to approve the proposal; or
   (b) to return the proposal again with a new explanation of how the proposal fails to meet the criteria.

(10) Resubmissions may occur as many times as necessary following the same procedures and deadlines as outlined above.

(11) However, if 12 months have passed without approval of a proposal, the Council may, in its discretion, issue a final rejection of the proposal.

(12) A final rejection may be issued only if there are clear reasons for believing the Promoter and Organizer's or an entity designated by it will not fulfil the purposes of the Village of North Bay as expressed in this Charter and Bylaws.

(13) The committee and the Promoter and Organizer shall communicate and hold meetings frequently to ensure all parties understand the proposal and the criteria by which it is reviewed.

(14) The committee may revise the criteria at any time.

(15) If the Council issues a final rejection of the proposal, the Promoter and Organizer or an entity designated by it may submit the dispute in accordance with section 12.03 (Disputes in connection with this Charter and Bylaws) within 90 days after the final rejection.

(16) If no dispute is submitted within 90 days after the final rejection, or if a dispute is submitted and a final award or decision is made upholding the Council's final rejection, the Council shall conduct a public bidding procedure consistent with international best practices.

7.04 Service contract

As a condition of becoming a resident or business in the Village of North Bay, all natural and legal persons shall form a service contract with the General Service Provider that is approved by the Council and defines their rights and obligations with respect to the provision of services by the General Service Provider.

7.05 Covenants

Once the Village of North Bay Property Registry pursuant to article 11.06(1)(a) is established and operating, as a condition of incorporating their land within the Village of North Bay, all landowners shall attach to their land a legally binding covenant running with the land or an equitable servitude that has been approved by the Council and that secures the rights and obligations of the Promoter and Organizer or the General Service Provider, or both, concerning the Village.

Article VIII: Taxation

8.01 Taxation

(1) The rates of taxes applicable to income, if any, in the Village of North Bay shall be as follows:
   (a) For Honduran citizens, who have been residents of areas of Honduras other than the ZEDEs during any of the previous five years (prior to assuming residency in the Village of North Bay), a rate of 10% on all Village of North Bay-sourced income over the equivalent of EIGHT THOUSAND AND NO/100THS DOLLARS ($8,000.00) U.S.;
   (b) For legal persons, which are resident in the Village of North Bay, and owned or controlled by Honduran citizens who have been residents of areas of Honduras other than the ZEDEs during any of the previous five years (prior to assuming residency in the Village of North Bay), a rate of 10% on all Village of North Bay-sourced income;
   (c) For all other residents and non-residents, both legal or natural persons, a fixed tax rate of no more than 10% on all Village of North Bay-sourced income;
   (d) Notwithstanding anything to the contrary set forth above, the Village of North Bay may establish a minimum mandatory fixed payment of income tax for all residents, which might differ for the groups mentioned in subsection (a) through (c).

(2) Income that is sourced within Honduras, but outside the Village of North Bay, is not subject to Village of North Bay taxation but is subject to the Honduran tax code. Village of North Bay-sourced income is not subject to the Honduran tax code, in accordance with Articles 4,

29, 32, and 41 of the ZEDE Organic Law. For existing businesses in Honduras outside the Village of North Bay, that exceed a certain threshold amount of taxes being paid, and want to relocate into or become part of the Village of North Bay, a special agreement will be made to preserve the tax basis of the Republic of Honduras.

(3) For residents covered under subsection 1(c), the Village of North Bay is entitled to set or negotiate options for a cap, tax breaks or lump sum annual payments in lieu of a tax rate.

(4) The Village of North Bay may, by statute, enact a land-value tax, as well as a value-added tax on goods and services. However, the rate of any such tax shall not exceed 5% for a value-added tax, nor shall the rate of any land-value tax exceed 5% of the assessed value of the land.

(5) No other taxes than mentioned in sections (1) – (4) shall be charged in the Village of North Bay.

(6) The Village of North Bay shall form an agreement with the Republic of Honduras with respect to residents of the Village of North Bay and any taxes imposed in the Village of North Bay, to avoid double taxation of income and tax evasion, and to coordinate administration and enforcement. In doing so, the Village of North Bay shall be prepared to share information about any of its residents of Honduran nationality with the Republic of Honduras when the Republic of Honduras demonstrates that it has reasonable cause to believe the resident is subject to a higher tax in Honduras than the resident has paid. The information shall be limited to the extent necessary to determine the applicable tax. The resident's information shall be kept strictly confidential and only shared with such parties as necessary to determine the applicable tax.

(7) The portion of aggregate tax revenues received in any calendar year that exceeds 7.5% of the gross domestic product within the Village of North Bay's boundaries during that calendar year shall be refunded to taxpayers in the respective calendar year pro rata based upon their payment of all taxes during the same calendar year ("Tax Limit"). For purposes of the Tax Limit, fees for goods or services that, by rule, are exclusively available from the Village of North Bay, General Service Provider or Trust shall be deemed taxes. The Tax Limit shall go into effect once its implementation procedures, including standards for the measurement of gross domestic product, deadlines for relevant assessments, and the timing and method of refunds, are enacted by regulation or resolution. As a condition of eligibility for any tax refund due pursuant to the Tax Limit, each resident must furnish data necessary to calculate gross domestic product provided that reasonable measures are taken to protect the anonymity of such data.

(8) The Village of North Bay may adopt by regulation such tax exemptions or limitations as needed to ensure that the tax burden in the Village of North Bay is no greater than in any other jurisdiction within the Republic of Honduras.

Article IX: Dispute Resolution and Court System

9.01 Court and Legal System

(1) In accordance with Articles 303 and 329 of the Constitution and with the ZEDE Organic Law, the Village of North Bay shall be subject to a special jurisdiction conformed by special common law and other courts, legal aid, and dispute resolution mechanisms, which shall

be established as an annex to this Charter following a respective approval by the competent Honduran authorities.

9.02 Arbitration

(1) The Village of North Bay shall allow for private arbitration.
(2) When the seat of arbitration is in the Village of North Bay, the courts of the Village of North Bay may resolve disputes concerning the arbitration procedure and enforcement.
(3) The courts of the Village of North Bay shall have the power to execute arbitral awards and may rely on the assistance of other domestic or foreign jurisdictions when executed outside the boundaries of the Village of North Bay.

9.03 Ombudsman

(1) CAMP shall appoint an Ombudsman for the Village of North Bay.
(2) The Ombudsman shall have the power to monitor actions, investigate complaints, and make binding decisions on formal objections against acts of the authorities of the ZEDE, which can be appealed through the procedure outlined in Article 9.02 and 9.03.
(3) The details shall be established by statute.

Article X: Security

10.01 Village of North Bay security entities

In accordance with Article 22 of the ZEDE Organic Law, the Village of North Bay shall, by statute, establish and control its own security entities, including police, criminal investigation bodies, intelligence services, criminal prosecution, and penitentiary system.

10.02 Exclusive control by the Village of North Bay

(1) Village of North Bay security entities will be subject to the exclusive control of the Village of North Bay.
(2) The Village of North Bay may enter into cooperation agreements with other security and law enforcement agencies in the Republic of Honduras. Such agencies shall operate within the Village of North Bay in exclusive accordance with those agreements.

10.03 Requests for assistance from outside law enforcement

(1) The Council may request the assistance of domestic and foreign law enforcement agencies, provided the assisting agencies are not foreign military forces.
(2) The request may be notified to the appropriate authorities of the rest of the Honduran territory.

Article XI: Miscellaneous

11.01 Severability

If any portion of this Charter and Bylaws, or any amendment of this Charter and Bylaws, is for any reason held to be unconstitutional, illegal, or otherwise invalid, that decision shall not affect the validity of the remaining portions of this Charter and Bylaws.

11.02 CAMP consent

(1) CAMP's approval of this Charter and Bylaws shall constitute its consent to all of the rights and responsibilities applicable to it in this Charter and Bylaws.

(2) Both CAMP and the ZEDE Village of North Bay reaffirm being subject to the protections of The Central America and Dominican Republic Free Trade Agreement and other investment treaties signed by Honduras and to which the Promoter and Organizer of the North Bay may be entitled protection, including any waivers of immunity of any kind expressed or implied in them.

(3) The procedure for securing CAMP approval of any rule or action requiring such approval shall consist of the Technical Secretary sending electronic or physical correspondence to CAMP's Alternate Secretary together with a genuine copy of the rule or action to be reviewed by CAMP. The date of electronic or physical receipt shall be the record date commencing any approval or disapproval period.

11.03 Disputes in connection with this Charter and Bylaws

(1) Any dispute arising under and in connection with this Charter and Bylaws may be brought to:

  (a) the ZEDE court(s) with jurisdiction over the Village of North Bay; or

  (b) the official arbitration institution established for the Village of North Bay in accordance with section 9.02 (Arbitration).

(2) An agreement to arbitrate creates enforceable rights and obligations to act as a claimant or respondent in arbitration proceedings for the Village of North Bay, including:

  (a) all individuals and entities within their official capacity;

  (b) the Technical Secretary in a personal capacity;

  (c) CAMP;

  (d) the General Service Provider; and

  (e) the Promoter and Organizer.

(3) Adoption of this Charter and Bylaws and acceptance of the relevant provisions described above shall constitute consent to arbitration.

(4) Initiation of the proceedings in one forum mentioned in subsection (1) precludes adjudication of the same matter in a different forum.

11.04 Language

The official language is Spanish. Legally binding instruments and rules issued by the Village of North Bay shall be written in both English and Spanish. To the extent that there is ambiguity between the English and Spanish versions of an instrument or rule, the English version shall be legally operative and controlling, unless otherwise specified. All other communications of the Village of North Bay shall be in English or Spanish, and any other languages as deemed appropriate.

11.05 Currency

(1) Any currency may be transacted in the Village of North Bay.

(2) Lempira are valid as legal tender for the payment of all pre-existing debts within the Village of North Bay unless the parties have made a specific agreement to the contrary.

(3) Persons selling goods and services may restrict payment to any currency provided that payment is rendered at substantially the same time as the goods and services are exchanged.

11.06 Land register and other registers

(1) The Village of North Bay shall establish and maintain the following official registers:
    (a) the Property Registry, for ownership of land and immovable objects;
    (b) the Personal Registry, for all natural persons, including both physical residents and e-residents; it shall distinguish between physical and e-residents according to criteria defined under applicable law;
    (c) the Entity Registry, for all legal persons, including commercial and non-commercial entities.

(2) The registers shall be dispositive for purposes of determining property interests, residence, and legal existence.

11.07 Land Rights

(1) The Village of North Bay shall maintain an independent regime for property rights consistent with the ZEDE Organic Law and international best practices.

(2) In accordance with Article 6 of the ZEDE Organic Law, any person may own, use, and possess land without discrimination on the basis of nationality.

(3) All land transactions in the ZEDE shall be recognized and given full force and effect by the Village of North Bay, the General Service Provider, the Republic of Honduras and all foreign jurisdictions, as provided in Articles 3, 24, 25, 26, 28, and 43 of the ZEDE Organic Law.

11.08 Amendment by Referendum

(1) At any time when the Village of North Bay has a high population density, the Council may decide by a majority of two-thirds of all Council members, that residents may hold a referendum in which they may amend or change any part of Article III of this Charter and Bylaws.

(2) If such a referendum has not taken place within 35 years after the adoption of this Charter and Bylaws, it shall automatically be initiated.

(3) Amendments adopted in accordance with subsections (1) may not significantly alter other articles. The Amendments must substantially relate to the subject matter covered by Article III as originally adopted.

(4) In order to ensure a smooth and orderly transition, amendments adopted in accordance with subsection (1) shall include a gradual timetable for change that ensures stability.

(5) If the amendment affects the method of selecting council members, the change may only apply to one council seat every seven years.

(6) Except as provided in subsections (1) through (5), this Charter and Bylaws may only be amended by vote of at least two-thirds of the eligible council members.

(7) The Technical Secretary shall present all amendments to CAMP for approval or disapproval.

(8) If CAMP neither approves nor disapproves of an amendment within 45 days after presentation, the amendment shall be deemed approved.
(9) The parties that initially proposed the amendment have the right to request a review of CAMP's decision by submitting the dispute in accordance with section 11.03 (Disputes in connection with this Charter and Bylaws).

11.09 Continuation

(1) All powers and authorities of the Village of North Bay established by its original August 23, 2018 Charter and Bylaws, which are not inconsistent with or superseded by this Amended and Restated Charter and Bylaws, shall be construed and enforced as continuously valid and effective.
(2) All rules and actions duly enacted, adopted or taken by the Village of North Bay through its Technical Secretary, Council and Trust under its original Charter and Bylaws, and any amendment adopted thereto, prior to the effective date of this Amended and Restated Charter and Bylaws, which are not inconsistent with or superseded by this Amended and Restated Charter and Bylaws, shall be deemed hereby authorized and ratified as continuously valid and binding rules or actions of the Village of North Bay.
(3) This Amended and Restated Charter and Bylaws shall be deemed to have retroactive effect to the effective date of the original August 23, 2018 Charter and Bylaws except where such retroactive effect might impair subsections (1) and (2), and in such case the effective date shall be the earliest date permissible under applicable rule and no later than forty-five (45) days after the initial presentment of this Amended and Restated Charter and Bylaws to CAMP.

PAGARÉ CONVERTIBLE

$197.057,00 U.S. 1 de febrero de 2019

POR LA CANTIDAD PRINCIPAL DE LOS AVANCES REALIZADOS POR Sociedad para el Desarrollo Socioeconómico de Honduras, LLC, y sus afiliadas relacionadas con la propiedad o control mayoritario, más una participación simple del 5% anual, hasta 31 de enero de 2019, la suscrita North Bay Foundation, S.A. f/k/a Institute for Excellence, S.A. (“Hacedor"), se compromete a pagar a la orden de ZEDE Village of North Bay, el cuidado del ZEDE of North Bay Trust (el "Beneficiario"), en Entrada Este de Sandy Bay, Frente a la Playa, Casa de dos niveler color Azul, Roatán, Islas de la Bahía, HN, o en cualquier otro lugar que el Beneficiario designe de vez en cuando por escrito, la suma principal de CIENTO NOVENTA Y SIETE MIL CINCUENTA Y SIETE Y NO/100 DÓLARES U.S. ($197,057.00), junto con los intereses sobre el saldo pendiente de pago del principal, a las tasas y en el momento que se indican a continuación.

Intereses. Desde la fecha de este documento hasta el pago final, la tasa de interés será igual a CINCO (5.0) puntos porcentuales por año. El interés será simple y se calculará sobre la suma total del principal pendiente de pago de vez en cuando, sobre la base de un año de trescientos sesenta (360) días.

Amortización/Vencimiento. Todo el capital pendiente de pago, todos los intereses devengados y no pagados, y todas las demás sumas adeudadas y pagaderas conforme al Pagaré (la "deuda"), si no se paga antes, vencerán y serán pagaderas en su totalidad el 1 de febrero de 2021 (la "Fecha de Vencimiento").

Intercambio por acciones. A solicitud escrita del Beneficiario en la Fecha de Vencimiento, o en cualquier momento anterior a la misma con treinta (30) días de anticipación al Hacedor, el Hacedor tomará todas las medidas corporativas necesarias para autorizar y emitir al Beneficiario acciones suficientes para pagar o prepagar todas las acciones, o cualquier parte de la deuda a través de un canje de esta Nota Promisoria por patrimonio, individualmente o en su conjunto, igual a la deuda, debiendo tener dichas acciones un precio de emisión a los efectos del canje de SETECIENTOS OCHENTA Y OCHO Y 23/100 DÓLARES ($788,23 U.S.) por acción.

CONVERTIBLE PROMISSORY NOTE

$197,057.00 U.S. February 1, 2019

FOR THE PRINCIPAL AMOUNT OF ADVANCES MADE BY Sociedad para el Desarrollo Socioeconómico de Honduras, LLC, and its affiliates related by majority ownership or control, plus simple interest at 5% per annum, through January 31, 2019, the undersigned North Bay Foundation, S.A. f/k/a Institute for Excellence, S.A. (“Maker”), hereby promises to pay to the order of the ZEDE Village of North Bay, care of the ZEDE of North Bay Trust (the “Payee”), at Entrada Este de Sandy Bay, Frente a la Playa, Casa de dos niveler color Azul, Roatan, Islas de la Bahia, HN, or at such other place as the Payee may from time to time designate in writing, the principal sum of ONE HUNDRED NINETY-SEVEN THOUSAND FIFTY-SEVEN AND NO/100THS DOLLARS U.S. ($197,057.00), together with interest on the unpaid principal balance thereon from time to time outstanding, at the rates and at the time hereinafter provided.

Interest. From the date hereof until the final payment due, the rate of interest shall be equal to FIVE (5.0) percentage points per annum. Interest shall be simple and computed on the aggregate principal sum outstanding from time to time, on a basis of a three hundred sixty (360) day year.

Repayment/Maturity. All unpaid principal, all accrued and unpaid interest, and all other sums due and payable under the Promissory Note (the “debt”), if not sooner paid, shall be due and payable in full on February 1, 2021 (the “Maturity Date”).

Exchange for Equity. Upon written demand from the Payee at the Maturity Date, or at any time prior thereto with thirty (30) days prior notice to Maker, Maker shall take all necessary corporate action to authorize and issue to Payee sufficient shares of stock to repay or prepay all, or any portion of, the debt through an exchange of this Promissory Note for equity, singly or in the aggregate, equal to the debt, with such shares to have an issue price for purposes of the exchange of SEVEN HUNDRED EIGHTY-EIGHT AND 23/100THS DOLLARS ($788.23 U.S.) per share.

Por defecto. En cualquiera de los siguientes eventos, a elección del Beneficiario, o del titular, el saldo total del principal no pagado de la deuda evidenciada en este documento, junto con todos los intereses devengados pero no pagados, vencerá y será pagadero inmediatamente: Si el Hacedor no paga cualquier suma que deba ser pagada por el Hacedor en virtud del presente documento dentro de los catorce (14) días posteriores a la fecha de vencimiento de dicho pago, tal como se estipula en el presente document.

Ley aplicable. Este Pagaré se interpretará y ejecutará de acuerdo con el Código de Derecho Común de Roatán de ZEDE Village of North Bay, Roatán, Islas de la Bahía, República de Honduras, y se regirá por el mismo. Además, el lugar de cualquier litigio, a elección del Payee, será el sistema judicial de la Aldea ZEDE de North Bay, el Estado de Arizona, o Washington, DC.

Responsabilidad; efecto vinculante. Este Pagaré será obligación del Hacedor y será vinculante para él y para sus sucesores.

HACEDOR:

North Bay Foundation, S.A. f/k/a Institute for Excellence, S.A.

Por: _____
Tristan M. Monterroso, Administrador Único

Default. Upon any of the following events, at the election of Payee, or holder, the entire unpaid principal balance of the indebtedness evidenced hereby, together with all accrued but unpaid interest thereon, shall become immediately due and payable: If Maker fails to pay any sum required to be paid by Maker hereunder within fourteen (14) days after the date such payment is due as herein provided.

Governing Law. This Promissory Note shall be construed and enforced according to, and governed by, the Roatan Common Law Code of the ZEDE Village of North Bay, Roatan, Bay Islands, Republic of Honduras. Further, the venue of any litigation shall, at the option of Payee, be either the court system of the ZEDE Village of North Bay, the State of Arizona, or Washington, DC.

Liability; Binding Effect. This Promissory Note shall be the obligation of the Maker, and shall be binding upon it and its successors.

MAKER:

North Bay Foundation, S.A. f/k/a Institute for Excellence, S.A.

By: _____
Tristan M. Monterroso, Administrator

ZEDE OF NORTH BAY
e-RESIDENT AGREEMENT OF COEXISTENCE AND SERVICE CONTRACT

ARTICLE I. PREMISES

Section 1. Purpose. The purpose of this Contract is to provide for clarity of rights and obligations of the ZEDE of North Bay and the ZEDE of North Bay Trust, by and through their representatives, officers, agents, employees, and affiliates related by ownership or control (collectively the "ZNB"), on the one hand, and the undersigned e-Resident, on the other hand, in accordance with articles 2.06 and 3.09 of the ZNB's August 23, 2018 Charter and Bylaws, as amended from time to time, available at http://znbgps.hn (the "ZNB Charter"), articles 3, 10, 12(2) of the ZEDE Organic Law, Decreto No. 120-2013, available at http://znbgps.hn (the "Organic Law"), and article 329 of the Constitution of the Republic of Honduras, available at http://znbgps.hn; as well as to serve as the e-Resident's contract with the ZNB General Service Provider, North Bay Prosperity GSP, Inc., a ZNB for profit corporation, (the "GSP") pursuant to article 7.04 of the ZNB Charter.

Section 2. Mutual Promises and Obligations. The parties promise to perform and consent to being legally bound to the respectively applicable provisions of this Contract and further agree that these mutual promises and obligations constitute a good and valuable consideration for this Contract. Further, on or before the Effective Date, and thereafter on the 1st business day of each subsequent calendar year within the e-Residency Term, the e-Resident shall pay the following annual fee to be eligible for the rights and privileges of e-residency under this Contract: $100.00 U.S. or 2,400 Lempira, which fee may be increased or decreased annually at the sole and absolute discretion of the ZNB or GSP to such amount of U.S. Dollars or Lempira as corresponds to the COMEX spot price of 0.08 ounces (~2.268 grams) of Gold at the close of business on the last business day of the immediately preceding calendar year.

Section 3. e-Residency Term. This Contract grants a term of e-residency for the e-Resident which is a personal non-assignable license to utilize certain ZNB e-governance services, to do business as well as to own or lease real property within the ZEDE of North Bay, and to physically access and visit the ZEDE of North Bay for up to thirty (30) days per calendar year, with certain rights, privileges and obligations detailed in this Contract, from the date it is fully executed ("Effective Date") until the Termination of this Contract under section 4 of Article IV below, which includes a ONE (1) YEAR probationary period, or as long as the e-Resident maintains any business activity or real property interest within the jurisdictional boundaries of the ZNB ("e-Residency Term").

ARTICLE II. OBLIGATIONS OF E-RESIDENT

Section 1. Knowing Consent. The e-Resident shall read and maintain familiarity with this Contract and ZNB Law; and especially (a) the criminal code of the Republic of Honduras, available at http://znbgps.hn, (b) the Roatan Common Law Code, §§2-3-4-0-1-1-1001, *et seq.*, as amended from time to time, available at http://znbgps.hn, and (c) articles 20, 21, 28, and 35 of the Organic Law, requiring use of private arbitration in preference to court litigation. It shall be conclusively deemed that the e-Resident has knowingly and voluntarily consented to this Contract.

Section 2. Respect for Legally Protected Rights. The e-Resident shall refrain from violating all legally protected rights of all persons lawfully present within the ZNB as well as those of e-residents; and, if the e-

Resident violates any such person's legally protected rights, the e-Resident shall accept full legal responsibility for any such violation in accordance with the Organic Law, which currently applies the criminal code of the Republic of Honduras to the ZNB, and the ZNB Charter, Statutes, Regulations, Ordinances, and Resolutions (collectively "ZNB Law"). Further, without limiting any other obligation imposed by this Contract or ZNB law, the e-Resident shall refrain from any tortious conduct or breach of contract as defined under the Roatan Common Law Code, §§2-3-4-0-3-1-3101 and 3-3300, that causes or imminently threatens to cause cognizable injury to the ZNB, GSP, any other resident or e-resident of the ZNB, or any other person lawfully present within the ZNB. Furthermore, the e-Resident shall respect and comply with all property rights recognized under the Roatan Common Law Code, §§2-3-4-0-3-2-3201 through 3205, including the rights and obligations established by the ZNB-recognized Master Plan common interest community declaration of covenants, conditions, easements, and restrictions running with title to all real property in the ZNB, which has been or will be registered with the ZNB Property Registry established pursuant to article 11.06(1)(a) of the ZNB Charter (the "Declaration").

Section 3. Consent to Enforcement. The e-Resident consents to the legal responsibility of section 2 of this Article II being enforced by (a) the ZNB police department pursuant to applicable legal process subject to the guarantees of Article III of this Contract and (b) the GSP through reasonably tailored self-help remedial action that does not breach the peace. However, the class of intended third party beneficiaries of section 2 of this Article II consists exclusively of other ZNB e-residents and residents in good standing. The sole and exclusive remedy available to any such e-resident or resident in such third party beneficiary capacity (without limitation as to any other remedy available to such e-resident or resident in any other capacity), is to notify the ZNB and GSP of the breach of section 2 of this Article II by the e-Resident and to request that the ZNB or GSP take appropriate action to declare and remedy that breach; such third party beneficiary may not compel the ZNB or GSP to act upon such notice; and the ZNB and GSP retain the right to refrain from acting upon such notice in their reasonable discretion based on whether the wrongful conduct is better handled as a breach of this Contract, as a criminal law enforcement matter best reserved to the jurisdiction of the ZNB police department, or as a national security matter best reserved to the jurisdiction of the national government of the Republic of Honduras. However, once a criminal law enforcement referral within its jurisdiction is made, the ZNB police department, administratively supported by the GSP as appropriate, shall diligently respond in the most reasonably effective manner to any credible notice of an injury or threat of injury arising from a violation of criminal law.

Section 4. Retention of GSP. While in good standing, the e-Resident shall be deemed hereby to retain the GSP for a period of one (1) year after the Effective Date of this Contract for the following e-governance services (the "GSP e-Goverance Services"): (a) use of the online ZNB Property Registry, as available; (b) use of the online ZNB Entity Registry, as available; and (c) use of the virtual services of the ZNB default Arbitration Service Provider, as available. In exchange for the services received from the GSP, the e-Resident shall be legally bound by its publicly posted fees, terms and conditions, available at http://znbgps.hn. This GSP service relationship shall automatically renew for additional one (1) year terms during the e-Residency Term.

Section 5. Respect for the Honduran Government. The e-Resident understands that the ZNB owes its existence to the Government of the Republic of Honduras adopting innovative public policy reforms despite significant controversy and political instability. Residence within the ZNB requires sensitivity to this historical context during its formative years. Accordingly, for a "standing up" phase of twelve years after the ZNB's

founding, until August 23, 2030, the e-Resident shall not: (a) publicly defame or disparage any officer, representative, branch or department of the Government of the Republic of Honduras, the ZNB or the GSP; (b) publicly advocate or furnish material support to the repeal or amendment of the Organic Law in any manner that is intended to diminish the public policy autonomy of the ZNB; or (c) publicly advocate or furnish material support to any action that is intended to diminish or undermine the legitimate governing authority of the ZNB. When reasonable doubt might exist as to compliance with the foregoing prohibition, before taking the action in question, the e-Resident shall seek guidance from the ZNB Council and exclusively submit any disagreement with the ZNB over this provision to arbitration as provided in section 1 of Article IV. However, notwithstanding the foregoing, the e-Resident shall have an absolute right and privilege to criticize any government official, department, division, branch or public policy in testimony, petitions or complaints in private communications with the ZNB Ombudsman or in public before the ZNB Council at its regular meetings in accordance with its customary rules of decorum and parliamentary procedure.

Section 6. Standing Offer to Arbitrate. During the e-Residency Term, in accordance with articles 20, 21, 28, and 35 of the Organic Law, as well as articles 9.02 and 11.03(1)(b) of the ZNB Charter, the e-Resident agrees to arbitrate any dispute with any third party arising from any cause of action arising from any act, omission, fact or event occurring within the boundaries of the ZNB pursuant to the terms of section 1(a) through (c) of Article IV ("Dispute"). Accordingly, the e-Resident shall be deemed hereby to maintain a standing open offer to fully and finally resolve any such Dispute involving the e-Resident through the ZNB's default Arbitration Service Provider (and to be legally bound by its publicly posted fees, rules, terms and conditions), unless the e-Resident verifiably contracts to use a different arbitration service to fully and finally resolve the Dispute with the relevant third party. This standing offer may be accepted by any third party, with whom a Dispute involving the e-Resident arises during the e-Residency Term, through reasonable notice of acceptance served on the Office of the Technical Secretary or GSP, which shall then notify the e-Resident thereof within thirty (30) days of receipt.

ARTICLE III. OBLIGATIONS OF ZNB AND GSP

Section 1. Recognition of Residency. Upon ZNB's receipt of the residence fee and signing of this Contract, and so long as the e-Resident has not breached this Contract (is in "good standing"), the ZNB and GSP shall recognize the e-Resident as having all rights and privileges of the status of e-residency under this Contract, the Declaration, if any, and ZNB Law for the e-Residency Term. In addition to the services promised in Section 4 of Article II, the e-Resident is entitled to use of the virtual services of the ZNB court system, as available, subject to its publicly posted fees, terms and conditions, available at http://znbgps.hn.

Section 2. ZNB and GSP Acknowledgment of Limited Power. The ZNB and GSP shall not claim or exercise any governing or enforceable power or authority relative to the e-Resident that is not authorized by the public meaning of the text of (a) this Contract, (b) the Declaration, if any, and (c) ZNB Law.

Section 3. e-Resident Bill of Rights. The ZNB and GSP shall not:

(a) Deny the e-Resident's Right to Life. This means:

(1) The ZNB and GSP shall not intentionally deprive the life of any natural person e-Resident except as a reasonable and proportionate response to defend against that e-Resident's unlawful initiation of violence or an imminent threat of violence against another person.

(2) The ZNB and GSP shall not deny any natural person e-Resident the right to self-defense, including the right of a competent natural person e-Resident of majority age to access any tool that is designed for a reasonable and proportionate defensive response to violence or the threat of violence whenever timely and effective protection of the e-Resident is not available from the ZNB police or the GSP.

(3) Subject only to the foregoing express terms, the legal protection of the rights in (a)(1) and (2) under this Contract shall be recognized by the ZNB and GSP as having the same or greater scope for the e-Resident as against the ZNB and GSP as the exercise of corresponding rights by a U.S. Citizen as against the U.S. government under the Second and Fifth Amendments to the U.S. Constitution as interpreted by the U.S. Supreme Court as of June 30, 2019.

(b) Violate e-Residents' Right to Property. This means:

(1) The ZNB shall not exercise its power of eminent domain to seize all or any part of the e-Resident's interests in real property, which had been previously recognized by ZNB Law, and shall instead pursue any public purpose traditionally served by the power of eminent domain exclusively through voluntary bargaining or otherwise through exercising rights granted by covenants, conditions or restrictions that are expressed in the Declaration, if any.

(2) The ZNB and GSP shall not exercise any other sovereign power to deprive the e-Resident, who has not been convicted of a criminal offense, of any liberty or property interest, which had been previously recognized by ZNB Law, and shall instead pursue any public purpose traditionally served by the exercise of such sovereign power exclusively through voluntary bargaining or otherwise through exercising rights granted by covenants, conditions or restrictions that are expressed in the Declaration, if any.

(3) If the ZNB or GSP violates (b)(1) or (2) above, the e-Resident may challenge such action through arbitration under section 3 of Article IV. If the conduct is found to violate this Contract, the e-Resident shall be entitled to relief consisting either of (i) a permanent injunction prohibiting the challenged action together with reasonable attorneys' fees, litigation expenses and costs or (ii) to an award of compensation that shall: (I) be paid without delay; (II) be equivalent to three times the fair market value of the taken or deprived liberty or property interest immediately before the prohibited action took place plus interest at a commercially reasonable rate for that currency, accrued from the date of the taking until the date of payment; (III) Not reflect any change in value occurring because the intended prohibited action had become known earlier; and (IV) be fully realizable and freely transferable.

(c) Burden Freedom of Thought, Speech, Expression, Conscience and Religion. This means:

(1) Except as specifically provided in section 7 of Article II, the ZNB and GSP shall not deprive any e-Resident of freedom of thought and expression, which includes the freedom to seek, receive, and impart information and ideas of all kinds, commercially or noncommercially, regardless of frontiers, either orally, in writing, in print, in the form of art or through any other medium of one's choice.

(2) The right in (c)(1) shall not be limited by the ZNB or GSP through indirect means such as control over newsprint, radio broadcasting frequencies or equipment used in the dissemination of information.

(3) The exercise of the right in (c)(1) shall not be subject to prior censorship or restraint except for narrowly tailored regulations (i) to prohibit credible threats of violence against specific persons, (ii) to prohibit actual fraud, or (iii) for the protection of psychological health or moral character of children and incompetent adults.

(4) The ZNB and GSP shall not deny any e-Resident freedom of conscience and of religion. This right includes freedom to maintain or to change one's religion or beliefs and freedom to profess or disseminate one's religion or beliefs, either individually or together with others, in public or in private.

(5) The exercise of the right in (c)(4) may be restrained only by regulations that are narrowly tailored (i) to prevent the violation of the legally protected rights of others, or (ii) the psychological health or moral character of children and incompetent adults.

(6) The exercise of the rights in (c)(1) and (4) may be subject to civil liability or restraint by private action through arbitration or judicial relief under rights guaranteed by the Roatan Common Law Code.

(7) Subject only to the foregoing express terms, the exercise of the rights in (c)(1) and (4) shall be recognized by the ZNB and GSP as having the same or greater scope for the e-Resident as against the ZNB and GSP as the exercise of corresponding rights by a U.S. Citizen as against the U.S. government under the First Amendment to the U.S. Constitution as interpreted by the U.S. Supreme Court as of June 30, 2019.

(d) Deny Freedom of Contract. The ZNB and GSP shall not deprive any competent e-Resident of majority age of the right to freely enter into contracts to exchange, condition, restrain, subdivide or otherwise obligate, release, waive, burden or bind, in whole or in part, the exercise of any right or legally protected interest recognized by this Contract, the Declaration, if any, or ZNB Law or for any other lawful purpose. The obligations of such contracts shall not be impaired by the ZNB or GSP in any respect.

(e) Deny the Right to Procedural Due Process. This means:

(1) The ZNB and GSP shall not deprive any e-Resident of life, liberty or property without closely following all applicable procedures established by ZNB Law.

(2) The legal protection of the right in (e)(1) under this Contract shall be recognized by the ZNB and GSP as having the same or greater scope for the e-Resident as against the ZNB and GSP as the exercise of corresponding rights by a U.S. Citizen as against the U.S. government under the Fifth Amendment to the U.S. Constitution as interpreted by the U.S. Supreme Court as of June 30, 2019.

(f) Infringe on Freedom from Ex Post Facto Laws. This means:

(1) The ZNB and GSP shall not request, direct or authorize any criminal prosecution of the e-Resident for any act or omission that did not constitute a criminal offense at the time it was committed.

(2) The ZNB and GSP shall not enact or impose upon the e-Resident a heavier penalty than the one that was applicable at the time the e-Resident committed the criminal offense.

(3) The ZNB and GSP shall not enact or impose upon the e-Resident any civil penalty or liability for any act or omission that was not subject to such penalty or liability at the time it was committed.

(g) Infringe on the Right to Security in Privacy. The ZNB and GSP shall not deprive any e-Resident of security in their person, personal effects, communications or property from any search, surveillance, interception or seizure by the ZNB or GSP unless the ZNB or GSP is authorized in doing so by either (1) a warrant specifying the thing to be searched, surveilled, intercepted or seized issued by the ZNB Court based on probable cause that a serious crime has been committed, (2) an authorizing court order which the e-Resident had a reasonable opportunity to contest, or (3) e-Resident's knowing and voluntary consent.

(h) Infringe on the Presumption of Liberty. The ZNB and GSP shall not infringe upon any e-Resident's freedom to act or refrain from acting in any manner that, at the time, is not prohibited, restricted or subject to restraint, penalty or liability under this Contract, the Declaration, if any, or ZNB Law.

(i) Notwithstanding anything to the contrary herein, the foregoing "Resident Bill of Rights" shall not be deemed violated by the ZNB's or GSP's exercise of any power or authority (1) to enforce this Contract, the Declaration, if any, or any other contractual agreement or property covenant, condition, easement or restriction to which the e-Resident knowingly and voluntarily consented to be legally bound, or (2) any ZNB Law that the ZNB or GSP is compelled to enforce under (i) a constitutional provision or treaty governing the Republic of Honduras, or (ii) a national law of the Republic of Honduras enacted under the authority of articles 10, 11, 12, 13, 15, or 19 of the Constitution of the Republic of Honduras.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 1. e-Resident's Agreement to Arbitrate Disputes. Except for claims and causes of action expressly excluded from arbitration by the Organic Law, and claims and causes of action arising under the e-Resident Bill of Rights of section 3 of Article III, which may be brought in the ZNB ombudsman and court system, the e-Resident shall exclusively resort to and be subject to arbitration hereunder as its exclusive means of resolving any dispute, controversy, or claim between or among the e-Resident, the ZNB, the GSP, or their representatives, officers, agents and employees, arising out of, relating to or connected with all or any part of this Contract, any subsequent amendment, modification or waiver of all or any part of this Contract, the Declaration, if any, ZNB Law, and that of any other transactionally-related document ("transaction document"), including, without limitation, any question in relation to or regarding such Contract's formation, binding effect, interpretation, performance, violation, breach, existence, nullity, validity or termination, as well as any related non-contractual dispute, controversy or claim (collectively the "Dispute") in accordance with articles 20, 21, 28, and 35 of the Organic Law, as well as articles 9.02 and 11.03(1)(b) of the ZNB Charter. Accordingly, the e-Resident shall finally resolve and settle by arbitration each and every such Dispute as follows:

(a) Any arbitration commenced hereunder shall be administered by the ZNB's default Arbitration Service Provider and governed by its Rules, available at http://znbgps.hn, (hereinafter the "Rules") in force as of the filing of the demand for arbitration, which Rules are deemed to be incorporated by reference into this clause. The appointing authority shall be the parties acting in accordance with the Rules. The seat of arbitration shall be the offices of the default Arbitration Service Provider on the island of Roatan, Bay Islands, Republic of

Honduras or such other location as is permitted by the Rules. The language to be used in the arbitral proceedings shall be English and Spanish. The governing substantive law of the arbitration shall be the applicable ZNB Law. The number of arbitrators serving as the arbitral tribunal shall be one (1) or as otherwise provided by the Rules. The arbitral tribunal shall render its final decision in not more than one (1) year after commencement of arbitral proceedings.

(b) The arbitral tribunal shall have full authority to grant interim measures of protection and to award damages for the failure of a party to respect the arbitral tribunal's orders to that effect. However, if irreparable harm would result from exclusively requesting an interim measure of protection from the arbitral tribunal, the parties shall not be precluded from seeking interim measures of protection from a court of competent jurisdiction or other judicial authority in regard to the Dispute, subject always to satisfying the relevant procedural or other requirements imposed by such court or other judicial authority. However, the party seeking such protection shall also concurrently seek such interim measure of protection from the arbitral tribunal and further agrees that any non-arbitral interim measure of protection issued by any court or other judicial authority shall not interfere with the arbitration proceedings hereunder or the deliberations of the arbitral tribunal; and shall yield to any decision on the same subject matter by the arbitral tribunal. The prevailing party may seek a judgment or appropriate judicial relief from any court of competent jurisdiction to confirm an arbitral award issued pursuant to this agreement as needed to secure its enforcement. Any such court of competent jurisdiction shall be fully empowered, upon appropriate legal request, to give effect to and enforce any final foreign arbitral award or foreign judgment confirming such arbitral award arising from this agreement, including, but not limited to, the issuance of an exequatur in respect of such award or judgment; and that each party shall be conclusively deemed to agree that such award or judgment is and represents an obligation that is fully compliant with Honduran and United States law and public policy, provided that such award or judgment: (i) complies with all formalities required for the enforceability thereof under applicable law; (ii) was issued by a competent arbitral tribunal or court after notice to the parties to the action; (iii) was issued after an opportunity was given to the defendant to present a defense or otherwise in compliance with the Rules; (iv) is not subject to further appeal; and (v) has been translated into English and Spanish, together with related documents, and satisfies the authentication requirements of Honduras and the United States.

(c) Any challenge by the e-Resident to the validity or enforceability of this arbitration agreement or the arbitral award or judgment may be referred only to the arbitral tribunal hereunder appointed. The e-Resident hereby waives its rights, if any, to any form of recourse against or challenge to an arbitral award to any court or other competent authority, if such waiver can validly be made under the applicable law. Accordingly, the e-Resident shall (i) hereby irrevocably and unconditionally submit to the personal jurisdiction of the seat of arbitration and arbitral forum for the purpose of any suit, action, or other proceeding arising out of or based upon the Dispute; (ii) shall not commence any suit, action or other proceeding arising out of or based upon this Contract except in the seat of arbitration and arbitral forum (except as needed for enforcement of an arbitral award or judgment confirming the same); and (iii) hereby waive, and shall not assert, by way of motion, as a defense, or otherwise, in any proceeding, any claim that it is not subject to the personal jurisdiction of the seat of arbitration, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Contract, or the subject matter hereof and thereof may not be enforced in or by the seat of arbitration. Further, the e-Resident: (i) agrees the Dispute is capable of arbitration; (ii) warrants that it has legal capacity to agree to arbitration as herein stated; (iii) warrants that this agreement to

arbitrate is valid under the law to which it is submitted; (iv) agrees that the e-Resident shall be regarded conclusively as having fully anticipated and envisaged every potential controversy or claim encompassed by the Dispute as governed by this agreement to arbitrate; (v) agrees that the e-Resident shall not seek to annul or suspend any resulting arbitral decision, award or judgment which is rendered in accordance with the terms of this arbitration agreement; (vi) agrees and acknowledges that the ZNB and GSP are reasonably and materially relying upon this arbitration agreement as being valid and legally binding on the e-Resident; and (vii) agrees and acknowledges waiving the right to challenge this arbitration agreement, and any jurisdiction exercised or remedy furnished thereunder, as invalid or otherwise not legally binding.

Section 2. Termination. Notwithstanding anything to the contrary set forth herein, this Contract may be terminated as follows:

(a) Probationary Period. The ZNB or GSP may immediately terminate this Contract upon thirty (30) days prior notice to the e-Resident for any reason during the first year of the e-Residency Term.

(b) The ZNB or GSP may immediately terminate this Contract if facts are revealed that have not been disclosed by the e-Resident during the background check required to qualify for e-residency, which justify a reasonable suspicion that the e-Resident: (i) is then-currently engaging in criminal or fraudulent activity in any jurisdiction to the extent that such activity would constitute considered criminal or fraudulent activity according to ZNB Law if it occurred within the boundaries of the ZNB; (ii) had engaged in criminal or fraudulent activity in any jurisdiction within the previous TEN (10) years of such a nature that, if publicized, would bring disrepute to the ZNB or GSP as determined by the ZNB or GSP in its reasonable business judgment; or (iii) has knowingly taken any action in furtherance of an intention to violate the terms of this Contract, the Declaration, if any, or ZNB Law upon receiving e-Resident status.

(c) The ZNB or GSP may terminate this Contract whenever the e-Resident has materially breached any provision of this Contract and such breach has not been cured, or is incapable of being cured, within thirty (30) days of being sent written notice of the breach by the ZNB or GSP.

(d) Within twelve (12) months of a termination of this Contract, the e-Resident shall sell and transfer title to any real property located within the ZNB to another e-resident or resident who is in good standing. If the e-Resident fails to timely transfer such title, the ZNB or GSP shall be entitled, without further notice or an opportunity to be heard, to record the e-Resident's obligation to transfer title as aforesaid as a charge against such title, and to commence foreclosure sale proceedings to enforce such charge in accordance with the ZNB Mortgage Foreclosure Sale Statute as an exercise of a duly authorized power of sale, with proceeds from the sale to be promptly paid to the e-Resident or its assignee less expenses incurred by the ZNB or GSP in conducting the sale and the amount of any outstanding taxes or fees owed by e-Resident.

(e) The e-Resident may terminate this Contract at any time and for any reason, provided that the e-Resident first gives the ZNB and GSP written notice of such intention and, if physically present in the ZNB, completely vacates the ZNB within thirty (30) days thereafter. However, any previously paid fee or tax shall not be refunded.

(f) Upon termination of this Contract, the ZNB or GSP may, if necessary, eject or authorize the ejection of the e-Resident and all of the e-Resident's movable or personal property from the ZNB, subject to distraint

for unpaid fees or taxes under ZNB Law, through the ZNB police department in accordance with applicable legal process or by its GSP through self-help that does not breach the peace.

(g) After termination of this Contract and the vacation of the ZNB by the e-Resident, the e-Resident shall be released from any subsequently accrued or incurred obligation or liability to the ZNB, GSP and the default Arbitration Service Provider that may have otherwise accrued; however, all previously accrued or incurred obligations and liabilities of the e-Resident to the ZNB, GSP or the default Arbitration Service Provider shall survive termination and remain enforceable.

Section 3. Notices. Notice shall be deemed effectively given to the other party under this Contract when sent by email with proof of delivery receipt at the party's e-governance residency email address, as specified below. Otherwise, notice shall be deemed effectively given to the other party under this Contract ten (10) business days after the notice is verifiably placed for delivery to such party through any other reasonable and customary mode of physical delivery at the party's address below.

Section 4. Merger, Interpretation and Severance. This Contract constitutes the entire agreement of the parties relating to the subject matter addressed. This Contract supersedes all prior written or oral communications, contracts or agreements between the parties with respect to the subject matter addressed in this Contract. The Parties agree that it is unreasonable and unjustifiable to rely on any representation, promise, term or condition that is not expressed or fairly construed into the text of this Contract. No presumption shall favor either party in interpreting this Contract. The English version of this Contract shall control the Spanish version in the event of any conflict. If any court or arbitral tribunal shall hold that any part of this Contract is void or unenforceable, the parties hereto agree that such part shall be severed and the balance of the Contract shall remain enforceable and unaffected. However, if such severance renders the Contract incapable of reasonable performance, then the parties agree that the court or arbitral tribunal may reform this Contract to contain the minimum of additional reasonable and customary terms consistent with its expressed intent so that it is capable of reasonable performance, provided that the parties retain the right to terminate this Contract as set forth in Section 2 of this Article IV.

Section 5. Disclosure, Disclaimer and Limitation of Liability. The e-Resident acknowledges that related entities and persons are or could be in positions of control and authority over both ZNB and GSP and each has or may derive a pecuniary gain directly or indirectly from decisions made by either entity in connection with this Contract. In recognition of the practical necessity of such joint control and authority due to the organizational and developmental phase in which the ZNB is operating, and the "startup government" nature of the ZNB, the e-Resident waives and disclaims any claim that a breach of contract, breach of fiduciary duty, or fiduciary fraud would result or should be presumed based on any actual or apparent conflict of interest that has arisen or may arise in any way, whether directly or indirectly, from the continuation of joint control and authority over any or all of the ZNB and GSP by related entities and persons. Further, the e-Resident agrees that any monetary liability of the ZNB and GSP arising from any cause of action connected in any way with this Contract or the status of residency, including claims for compensatory or exemplary damages, as well as court costs, litigation expenses, attorneys fees, shall be limited to an aggregate amount in a given calendar year that does not exceed the greater of: (a) the limits of available insurance coverage(s) for the relevant cause of action; or (b) the difference in the immediately preceding calendar year between (i) 15% of aggregate tax and fee revenues received by the ZNB and GSP and (ii) the booked liability for all other known or threatened causes of action against the ZNB and GSP.

Section 6. Governing Law and Jurisdiction. This Agreement shall be governed by the Roatan Common Law Code, §§2-3-4-0-1-1-1001, *et seq.*, as amended from time to time, without regard to principles of conflict of laws. The sole and exclusive court system, if any, and governmental body having jurisdiction over this Contract, and the sole venue for any claim or cause of action between or among the e-Resident, the ZNB and the GSP, arising in any way in connection with this Contract, shall be that of the ZNB except as otherwise provided by this Contract and ZNB Law.

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed by their respective duly authorized signatories and have duly delivered this Contract.

ZNB: ZEDE of North Bay

_____

By: Tristan Monterroso Date
Title: Technical Secretary and Member of ZNB Council
Physical Address:
Email Address:

e-Resident:

_____

By: Date
Title (if any):
Physical Address:
Email Address:

ZNB: ZEDE of North Bay Trust

_____

By: Date
Title: Trustee
Physical Address:
Email:

GSP: North Bay GSP, Inc.

_____

By: Date
Title:
Physical Address:
Email:

ZEDE OF NORTH BAY
RESIDENT AGREEMENT OF COEXISTENCE AND SERVICE CONTRACT

ARTICLE I. PREMISES

Section 1. Purpose. The purpose of this Contract is to provide for clarity and legal stability of rights and obligations of the ZEDE of North Bay and the ZEDE of North Bay Trust, by and through their representatives, officers, agents, employees, and affiliates related by ownership or control (collectively the "ZNB"), on the one hand, and the undersigned Resident, on the other hand, in accordance with article 3.09 of the ZNB's August 23, 2018 Charter and Bylaws, as amended from time to time, available at http://znbgps.hn (the "ZNB Charter"), articles 3, 10, 12(2) of the ZEDE Organic Law, Decreto No. 120-2013, available at http://znbgps.hn (the "Organic Law"), and article 329 of the Constitution of the Republic of Honduras, available at http://znbgps.hn; as well as to serve as the Resident's contract with the ZNB General Service Provider, North Bay Prosperity GSP, Inc., a ZNB for profit corporation, (the "GSP") pursuant to article 7.04 of the ZNB Charter.

Section 2. Mutual Promises and Obligations. The parties promise to perform and consent to being legally bound to the respectively applicable provisions of this Contract and further agree that these mutual promises and obligations constitute a good and valuable consideration for this Contract. Further, on or before the Effective Date, and thereafter on the 1st business day of each subsequent calendar year within the Residency Term, the Resident shall pay the following annual fee to the ZNB to be eligible for the rights and privileges of residency under this Contract: (a) $1,000.00 U.S. or 24,000 Lempira for non-Honduran nationals; or (b) $150.00 U.S. or 3,600 Lempira for Honduran nationals. The residency fee may be increased or decreased annually at the sole and absolute discretion of the ZNB or GSP to such amount of U.S. Dollars or Lempira as corresponds to the COMEX spot price of 0.8 ounces (~22.68 grams) of Gold as to non-Honduran nationals or 0.12 ounces (~3.4 grams) of Gold as to Honduran nationals at the close of business on the last business day of the immediately preceding calendar year.

Section 3. Residency Term. This Contract grants a term of residency for the Resident which is a personal, non-assignable license to enter and establish a physical residency or place of business in the ZEDE of North Bay, with certain rights, privileges and obligations detailed in this Contract, from the date it is fully executed ("Effective Date") until the Termination of this Contract under section 4 of Article IV below, which includes a ONE (1) YEAR probationary period, or otherwise as long as the Resident maintains any physical presence, business activity, domicile, principal place of business, or real property interest within the jurisdictional boundaries of the ZNB ("Residency Term").

ARTICLE II. OBLIGATIONS OF RESIDENT

Section 1. Knowing Consent. The Resident shall read and maintain familiarity with this Contract and ZNB Law; and especially (a) the criminal code of the Republic of Honduras, available at http://znbgps.hn, (b) the Roatan Common Law Code, §§2-3-4-0-1-1-1001, *et seq.*, as amended from time to time, available at http://znbgps.hn, and (c) articles 20, 21, 28, and 35 of the Organic Law, requiring use of private arbitration in preference to court litigation. It shall be conclusively deemed that Resident has knowingly and voluntarily consented to this Contract.

Section 2. Respect for Legally Protected Rights. The Resident shall refrain from violating all legally protected rights of all persons lawfully present within the ZNB; and, if the Resident violates any such person's legally protected rights, the Resident shall accept full legal responsibility for any such violation in accordance with the Organic Law, which currently applies the criminal code of the Republic of Honduras to the ZNB, and the ZNB Charter, Statutes, Regulations, Ordinances, and Resolutions (collectively "ZNB Law"). Further, without limiting any other obligation imposed by this Contract or ZNB law, the Resident shall refrain from any tortious conduct or breach of contract as defined under the Roatan Common Law Code, §§2-3-4-0-3-1-3101 and 3-3300, that causes or imminently threatens to cause cognizable injury to the ZNB, GSP, any other resident or e-resident of the ZNB, or any other person lawfully present within the ZNB. Furthermore, the Resident shall respect and comply with all property rights recognized under the Roatan Common Law Code, §§2-3-4-0-3-2-3201 through 3205, including the rights and obligations established by the ZNB-recognized Master Plan common interest community declaration of covenants, conditions, easements, and restrictions running with title to all real property in the ZNB, which has been or will be registered with the ZNB Property Registry established pursuant to article 11.06(1)(a) of the ZNB Charter (the "Declaration").

Section 3. Consent to Enforcement. The Resident consents to the legal responsibility of section 2 of this Article II being enforced by (a) the ZNB police department pursuant to applicable legal process subject to the guarantees of Article III of this Contract and (b) the GSP through reasonably tailored self-help remedial action that does not breach the peace. However, the class of intended third party beneficiaries of section 2 of this Article II consists exclusively of other ZNB residents and e-residents in good standing. The sole and exclusive remedy available to any such resident or e-resident in such third party beneficiary capacity (without limitation as to any other remedy available to such resident in any other capacity), is to notify the ZNB and GSP of the breach of section 2 of this Article II by the Resident and to request that the ZNB or GSP take appropriate action to declare and remedy that breach; such third party beneficiary may not compel the ZNB or GSP to act upon such notice; and the ZNB and GSP retain the right to refrain from acting upon such notice in their reasonable discretion based on whether the wrongful conduct is better handled as a breach of this Contract, as a criminal law enforcement matter best reserved to the jurisdiction of the ZNB police department, or as a national security matter best reserved to the jurisdiction of the national government of the Republic of Honduras. However, once a criminal law enforcement referral within its jurisdiction is made, the ZNB police department, administratively supported by the GSP as appropriate, shall diligently respond in the most reasonably effective manner to any credible notice of an injury or threat of injury arising from a violation of criminal law.

Section 4. Disclosures. During the Residency Term, unless the same information has already been furnished through another submission to the ZNB or GSP, the Resident shall furnish the ZNB with an annual sworn or certified statement, on such forms as prescribed by ZNB Resolution, containing current contact information, as well as facts concerning the existence and nature of any physical presence, domicile, principal place of business, or real property interest within the jurisdictional boundaries of the ZNB.

Section 5. Retention of GSP. While in good standing, the Resident shall be deemed hereby to retain the GSP for a period of one (1) year after the Effective Date of this Contract for all community services that are the GSP's exclusive responsibility (the "GSP Basic Services"), as determined by the Declaration, if any, or ZNB Law, as well as for any other community service furnished by the GSP that has not been verifiably contracted by the Resident from a third party and for which the Resident is responsible under the Declaration, if any, or ZNB Law. In exchange for the services received from the GSP, the Resident shall be legally bound by its

publicly posted fees, terms and conditions, available at http://znbgps.hn. This GSP service relationship shall automatically renew for additional one (1) year terms during the Residency Term. To avoid entry into or renewal of this service provision as it pertains to community services that are not among the GSP Basic Services, the Resident must present proof of the requisite third party contracting by written notice to the GSP before the term commences.

Section 6. Self-Responsibility. For the duration of the Residency Term, the Resident shall take all reasonable steps necessary to ensure that it is capable of a self-responsible existence within the ZNB, such as through the acquisition of insurance with such coverages and limits as may be required by the Declaration, if any, or ZNB Law, without having to resort to ZNB subsidies, social welfare or charity for itself or any dependent.

Section 7. Respect for the Honduran Government. The Resident understands that the ZNB owes its existence to the Government of the Republic of Honduras adopting innovative public policy reforms despite significant controversy and political instability. Residence within the ZNB requires sensitivity to this historical context during its formative years. Accordingly, for a "standing up" phase of twelve years after the ZNB's founding, until August 23, 2030, the Resident shall not: (a) publicly defame or disparage any officer, representative, branch or department of the Government of the Republic of Honduras, the ZNB or the GSP; (b) publicly advocate or furnish material support to the repeal or amendment of the Organic Law in any manner that is intended to diminish the public policy autonomy of the ZNB; or (c) publicly advocate or furnish material support to any action that is intended to diminish or undermine the legitimate governing authority of the ZNB. When reasonable doubt might exist as to compliance with the foregoing prohibition, before taking the action in question, the Resident shall seek guidance from the ZNB Council and exclusively submit any disagreement with the ZNB over this provision to arbitration as provided in section 3 of Article IV. However, notwithstanding the foregoing, the Resident shall have an absolute right and privilege to criticize any government official, department, division, branch or public policy in testimony, petitions or complaints in private communications with the ZNB Ombudsman or in public before the ZNB Council at its regular meetings in accordance with its customary rules of decorum and parliamentary procedure.

Section 8. Standing Offer to Arbitrate. During the Residency Term, in accordance with articles 20, 21, 28, and 35 of the Organic Law, as well as articles 9.02 and 11.03(1)(b) of the ZNB Charter, the Resident agrees to arbitrate any dispute with any third party arising from any cause of action arising from any act, omission, fact or event occurring within the boundaries of the ZNB pursuant to the terms of section 3(a) through (c) of Article IV ("Dispute"). Accordingly, the Resident shall be deemed hereby to maintain a standing open offer to fully and finally resolve any such Dispute involving the Resident through the ZNB's designated default Arbitration Service Provider (and to be legally bound by its publicly posted fees, rules, terms and conditions), unless the Resident verifiably contracts to use a different arbitration service to fully and finally resolve the Dispute with the relevant third party. This standing offer may be accepted by any third party, with whom a Dispute involving the Resident arises during the Residency Term, through reasonable notice of acceptance served on the Office of the Technical Secretary or GSP, which shall then notify the Resident thereof within thirty (30) days of receipt.

ARTICLE III. OBLIGATIONS OF ZNB AND GSP

Section 1. Recognition of Residency. Upon ZNB's receipt of the residence fee and signing of this Contract, and so long as the Resident has not breached this Contract (is in "good standing"), the ZNB and GSP shall

recognize the Resident as having all rights and privileges of the status of residency under this Contract, the Declaration, if any, and ZNB Law for the Residency Term. The rights and privileges of residency include the express obligations of the ZNB and GSP set forth elsewhere in this Contract, as well as the following obligation. For the duration of the Residency Term, the ZNB shall furnish governance services directly or through the GSP Basic Services that deliver an optimal degree of protection of the right to life, liberty and property of all ZNB residents in good standing as those rights are defined by this Contract, the Declaration, if any, and ZNB law. Subject to the terms and conditions of this Contract, the output of "an optimal degree of protection" as aforesaid shall equal or exceed the output of similar governance services relative to the security of individual life, liberty and property in any similarly-situated jurisdiction among the top ten best-performing member states in the Organisation for Economic Co-operation and Development, as determined by the ZNB or GSP, respectively, in their reasonable business judgment as a fiduciary of all ZNB residents in good standing.

Section 2. ZNB and GSP Acknowledgment of Limited Power. The ZNB and GSP shall not claim or exercise any governing or enforceable power or authority relative to the Resident that is not authorized by the public meaning of the text of (a) this Contract, (b) the Declaration, if any, and (c) ZNB Law.

Section 3. Resident Bill of Rights. The ZNB and GSP shall not:

(a) Deny the Resident's Right to Life. This means:

(1) The ZNB and GSP shall not intentionally deprive the life of any natural person Resident except as a reasonable and proportionate response to defend against that Resident's unlawful initiation of violence or an imminent threat of violence against another person.

(2) The ZNB and GSP shall not deny any natural person Resident the right to self-defense, including the right of a competent natural person Resident of majority age to access any tool that is designed for a reasonable and proportionate defensive response to violence or the threat of violence whenever timely and effective protection of the Resident is not available from the ZNB police or the GSP.

(3) Subject only to the foregoing express terms, the legal protection of the rights in (a)(1) and (2) under this Contract shall be recognized by the ZNB and GSP as having the same or greater scope for the Resident as against the ZNB and GSP as the exercise of corresponding rights by a U.S. Citizen as against the U.S. government under the Second and Fifth Amendments to the U.S. Constitution as interpreted by the U.S. Supreme Court as of June 30, 2019.

(b) Violate Residents' Right to Property. This means:

(1) The ZNB shall not exercise its power of eminent domain to seize all or any part of the Resident's interests in real property, which had been previously recognized by ZNB Law, and shall instead pursue any public purpose traditionally served by the power of eminent domain exclusively through voluntary bargaining or otherwise through exercising rights granted by covenants, conditions or restrictions that are expressed in the Declaration, if any.

(2) The ZNB and GSP shall not exercise any other sovereign power to deprive the Resident, who has not been convicted of a criminal offense, of any liberty or property interest, which had been previously

recognized by ZNB Law, and shall instead pursue any public purpose traditionally served by the exercise of such sovereign power exclusively through voluntary bargaining or otherwise through exercising rights granted by covenants, conditions or restrictions that are expressed in the Declaration, if any.

(3) If the ZNB or GSP violates (b)(1) or (2) above, the Resident may challenge such action through arbitration under section 3 of Article IV. If the conduct is found to violate this Contract, the Resident shall be entitled to relief consisting either of (i) a permanent injunction prohibiting the challenged action together with reasonable attorneys' fees, litigation expenses and costs or (ii) to an award of compensation that shall: (I) be paid without delay; (II) be equivalent to three times the fair market value of the taken or deprived liberty or property interest immediately before the prohibited action took place plus interest at a commercially reasonable rate for that currency, accrued from the date of the taking until the date of payment; (III) Not reflect any change in value occurring because the intended prohibited action had become known earlier; and (IV) be fully realizable and freely transferable.

(c) Burden Freedom of Thought, Speech, Expression, Conscience and Religion. This means:

(1) Except as specifically provided in section 7 of Article II, the ZNB and GSP shall not deprive any Resident of freedom of thought and expression, which includes the freedom to seek, receive, and impart information and ideas of all kinds, commercially or noncommercially, regardless of frontiers, either orally, in writing, in print, in the form of art or through any other medium of one's choice.

(2) The right in (c)(1) shall not be limited by the ZNB or GSP through indirect means such as control over newsprint, radio broadcasting frequencies or equipment used in the dissemination of information.

(3) The exercise of the right in (c)(1) shall not be subject to prior censorship or restraint except for narrowly tailored regulations (i) to prohibit credible threats of violence against specific persons, (ii) to prohibit actual fraud, or (iii) for the protection of psychological health or moral character of children and incompetent adults.

(4) The ZNB and GSP shall not deny any Resident freedom of conscience and of religion. This right includes freedom to maintain or to change one's religion or beliefs and freedom to profess or disseminate one's religion or beliefs, either individually or together with others, in public or in private.

(5) The exercise of the right in (c)(4) may be restrained only by regulations that are narrowly tailored (i) to prevent the violation of the legally protected rights of others, or (ii) the psychological health or moral character of children and incompetent adults.

(6) The exercise of the rights in (c)(1) and (4) may be subject to civil liability or restraint by private action through arbitration or judicial relief under rights guaranteed by the Roatan Common Law Code.

(7) Subject only to the foregoing express terms, the exercise of the rights in (c)(1) and (4) shall be recognized by the ZNB and GSP as having the same or greater scope for the Resident as against the ZNB and GSP as the exercise of corresponding rights by a U.S. Citizen as against the U.S. government under the First Amendment to the U.S. Constitution as interpreted by the U.S. Supreme Court as of June 30, 2019.

(d) Deny Freedom of Contract. The ZNB and GSP shall not deprive any competent Resident of majority age of the right to freely enter into contracts to exchange, condition, restrain, subdivide or otherwise obligate, release, waive, burden or bind, in whole or in part, the exercise of any right or legally protected interest recognized by this Contract, the Declaration, if any, or ZNB Law or for any other lawful purpose. The obligations of such contracts shall not be impaired by the ZNB or GSP in any respect.

(e) Deny the Right to Procedural Due Process. This means:

(1) The ZNB and GSP shall not deprive any Resident of life, liberty or property without closely following all applicable procedures established by ZNB Law.

(2) The legal protection of the right in (e)(1) under this Contract shall be recognized by the ZNB and GSP as having the same or greater scope for the Resident as against the ZNB and GSP as the exercise of corresponding rights by a U.S. Citizen as against the U.S. government under the Fifth Amendment to the U.S. Constitution as interpreted by the U.S. Supreme Court as of June 30, 2019.

(f) Infringe on Freedom from Ex Post Facto Laws. This means:

(1) The ZNB and GSP shall not request, direct or authorize any criminal prosecution of the Resident for any act or omission that did not constitute a criminal offense at the time it was committed.

(2) The ZNB and GSP shall not enact or impose upon the Resident a heavier penalty than the one that was applicable at the time the Resident committed the criminal offense.

(3) The ZNB and GSP shall not enact or impose upon the Resident any civil penalty or liability for any act or omission that was not subject to such penalty or liability at the time it was committed.

(g) Infringe on the Right to Security in Privacy. The ZNB and GSP shall not deprive any Resident of security in their person, personal effects, communications or property from any search, surveillance, interception or seizure by the ZNB or GSP unless the ZNB or GSP is authorized in doing so by either (1) a warrant specifying the thing to be searched, surveilled, intercepted or seized issued by the ZNB Court based on probable cause that a serious crime has been committed, (2) an authorizing court order which the Resident had a reasonable opportunity to contest, or (3) Resident's knowing and voluntary consent.

(h) Infringe on the Presumption of Liberty. The ZNB and GSP shall not infringe upon any Resident's freedom to act or refrain from acting in any manner that, at the time, is not prohibited, restricted or subject to restraint, penalty or liability under this Contract, the Declaration, if any, or ZNB Law.

(i) Notwithstanding anything to the contrary herein, the foregoing "Resident Bill of Rights" shall not be deemed violated by the ZNB's or GSP's exercise of any power or authority (1) to enforce this Contract, the Declaration, if any, or any other contractual agreement or property covenant, condition, easement or restriction to which the Resident knowingly and voluntarily consented to be legally bound, or (2) any ZNB Law that the ZNB or GSP is compelled to enforce under (i) a constitutional provision or treaty governing the Republic of Honduras, or (ii) a national law of the Republic of Honduras enacted under the authority of articles 10, 11, 12, 13, 15, or 19 of the Constitution of the Republic of Honduras.

MISCELLANEOUS PROVISIONS

Section 1. Side Letters. The ZNB may, but is not required to, supplement, tailor, amend, modify, waive or otherwise clarify the rights, privileges and obligations under this Contract through one or more separate, written side letter agreements with each resident ("Side Letter"), provided that each such Side Letter is consistent with all of the legal obligations of the ZNB and duly approved by the Technical Secretary and ZNB Council by Ordinance or Resolution at a regular Council meeting. Further, any such Side Letter may furnish terms that impose additional or different degrees of legal stability upon taxes, fees and regulations authorized by ZNB law. It is agreed that the terms of any such Side Letter shall be public, written in general and uniform terms, and available, upon demand, to any other similarly situated resident if that resident should wish to agree to the same terms as an original or superseding Side Letter to their Contract. Any such Side Letter shall be construed as part of this Contract upon execution by all parties to this Contract.

Section 2. Legal Stabilization. For the duration of the Residency Term and while the Resident is in good standing, this Contract guarantees that the Resident shall never be subject to: (a) any ZNB tax law other than the ZNB tax law in effect on the Effective Date unless the new ZNB tax law reduces what would have been the Resident's tax liability under the ZNB tax law in effect on the Effective Date; (b) any fee for GSP Basic Services other than the posted fees for GSP Basic Services in effect on the Effective Date unless the new fee reduces what would have been the Resident's fee liability under the posted fees for GSP Basic Services in effect on the Effective Date; (c) any new or additional ZNB rule that impairs, restricts or diminishes any legal right to real property, the title to which has been duly registered or for which the title transfer document is submitted and pending registration in the ZNB Property Registry on the Effective Date; and (d) any other new or additional ZNB rule that impairs, restricts or diminishes any other legal right of the Resident that was vested under ZNB law on the Effective Date. The ZNB and GSP are hereby required to maintain the inviolability and legal stability of its obligations under this Contract and any Side Letter supplementing this Contract for the entire duration of the Residency Term. If there is any inconsistency between the provisions of this Contract, on the one hand, and any subsequent charter amendment, statute, ordinance, regulation, or resolution adopted by the ZNB after its Effective Date ("Subsequent Law"), the provisions of this Contract shall prevail; and the ZNB or GSP shall not apply such Subsequent Law to the Resident to the extent of such inconsistency.

Section 3. Resident's Agreement to Arbitrate Disputes. Except for claims and causes of action expressly excluded from arbitration by the Organic Law, and claims and causes of action arising under the Resident Bill of Rights of section 3 of Article III, which may be brought in the ZNB ombudsman and court system, the Resident shall exclusively resort to and be subject to arbitration hereunder as its exclusive means of resolving any dispute, controversy, or claim between or among the Resident, the ZNB, the GSP, or their representatives, officers, agents and employees, arising out of, relating to or connected with all or any part of this Contract, any subsequent amendment, modification or waiver of all or any part of this Contract, the Declaration, if any, ZNB Law, and that of any other transactionally-related document ("transaction document"), including, without limitation, any question in relation to or regarding this Contract's formation, binding effect, interpretation, performance, violation, breach, existence, nullity, validity or termination, as well as any related non-contractual dispute, controversy or claim (collectively the "Dispute") in accordance with articles 20, 21, 28, and 35 of the Organic Law, as well as articles 9.02 and 11.03(1)(b) of the ZNB Charter. Accordingly, the Resident shall finally resolve and settle by arbitration each and every such Dispute as follows:

(a) Any arbitration commenced hereunder shall be administered by the ZNB's default Arbitration Service Provider and governed by its Rules, available at http://znbgps.hn, (hereinafter the "Rules") in force as of the filing of the demand for arbitration, which Rules are deemed to be incorporated by reference into this clause. The appointing authority shall be the parties acting in accordance with the Rules. The seat of arbitration shall be the offices of the default Arbitration Service Provider on the island of Roatan, Bay Islands, Republic of Honduras or such other location as is permitted by the Rules. The language to be used in the arbitral proceedings shall be English and Spanish. The governing substantive law of the arbitration shall be the applicable ZNB Law. The number of arbitrators serving as the arbitral tribunal shall be one (1) or as otherwise provided by the Rules. The arbitral tribunal shall render its final decision in not more than one (1) year after commencement of arbitral proceedings.

(b) The arbitral tribunal shall have full authority to grant interim measures of protection and to award damages for the failure of a party to respect the arbitral tribunal's orders to that effect. However, if irreparable harm would result from exclusively requesting an interim measure of protection from the arbitral tribunal, the parties shall not be precluded from seeking interim measures of protection from a court of competent jurisdiction or other judicial authority in regard to the Dispute, subject always to satisfying the relevant procedural or other requirements imposed by such court or other judicial authority. However, the party seeking such protection shall also concurrently seek such interim measure of protection from the arbitral tribunal and further agrees that any non-arbitral interim measure of protection issued by any court or other judicial authority shall not interfere with the arbitration proceedings hereunder or the deliberations of the arbitral tribunal; and shall yield to any decision on the same subject matter by the arbitral tribunal. The prevailing party may seek a judgment or appropriate judicial relief from any court of competent jurisdiction to confirm an arbitral award issued pursuant to this agreement as needed to secure its enforcement. Any such court of competent jurisdiction shall be fully empowered, upon appropriate legal request, to give effect to and enforce any final foreign arbitral award or foreign judgment confirming such arbitral award arising from this agreement, including, but not limited to, the issuance of an exequatur in respect of such award or judgment; and that each party shall be conclusively deemed to agree that such award or judgment is and represents an obligation that is fully compliant with Honduran and United States law and public policy, provided that such award or judgment: (i) complies with all formalities required for the enforceability thereof under applicable law; (ii) was issued by a competent arbitral tribunal or court after notice to the parties to the action; (iii) was issued after an opportunity was given to the defendant to present a defense or otherwise in compliance with the Rules; (iv) is not subject to further appeal; and (v) has been translated into English and Spanish, together with related documents, and satisfies the authentication requirements of Honduras and the United States.

(c) Any challenge by the Resident to the validity or enforceability of this arbitration agreement or the arbitral award or judgment may be referred only to the arbitral tribunal hereunder appointed. The Resident hereby waives its rights, if any, to any form of recourse against or challenge to an arbitral award to any court or other competent authority, if such waiver can validly be made under the applicable law. Accordingly, the Resident shall (i) hereby irrevocably and unconditionally submit to the personal jurisdiction of the seat of arbitration and arbitral forum for the purpose of any suit, action, or other proceeding arising out of or based upon the Dispute; (ii) shall not commence any suit, action or other proceeding arising out of or based upon this Contract except in the seat of arbitration and arbitral forum (except as needed for enforcement of an arbitral award or judgment confirming the same); and (iii) hereby waive, and shall not assert, by way of motion, as a defense, or otherwise, in any proceeding, any claim that it is not subject to the personal

jurisdiction of the seat of arbitration, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Contract, or the subject matter hereof and thereof may not be enforced in or by the seat of arbitration. Further, the Resident: (i) agrees the Dispute is capable of arbitration; (ii) warrants that it has legal capacity to agree to arbitration as herein stated; (iii) warrants that this agreement to arbitrate is valid under the law to which it is submitted; (iv) agrees that the Resident shall be regarded conclusively as having fully anticipated and envisaged every potential controversy or claim encompassed by the Dispute as governed by this agreement to arbitrate; (v) agrees that the Resident shall not seek to annul or suspend any resulting arbitral decision, award or judgment which is rendered in accordance with the terms of this arbitration agreement; (vi) agrees and acknowledges that the ZNB and GSP are reasonably and materially relying upon this arbitration agreement as being valid and legally binding on the Resident; and (vii) agrees and acknowledges waiving the right to challenge this arbitration agreement, and any jurisdiction exercised or remedy furnished thereunder, as invalid or otherwise not legally binding.

Section 4. Termination. Notwithstanding anything to the contrary set forth herein, this Contract may be terminated as follows:

(a) Probationary Period. The ZNB or GSP may immediately terminate this Contract upon sixty (60) days prior notice to the Resident for any reason during the first year of the Residency Term.

(b) The ZNB or GSP may immediately terminate this Contract if facts are revealed that have not been disclosed by the Resident during the background check required to qualify for residency, which justify a reasonable suspicion that the Resident: (i) is then-currently engaging in criminal or fraudulent activity in any jurisdiction to the extent that such activity would constitute considered criminal or fraudulent activity according to ZNB Law if it occurred within the boundaries of the ZNB; (ii) had engaged in criminal or fraudulent activity in any jurisdiction within the previous TEN (10) years of such a nature that, if publicized, would bring disrepute to the ZNB or GSP as determined by the ZNB or GSP in its reasonable business judgment; or (iii) has knowingly taken any action in furtherance of an intention to violate the terms of this Contract, the Declaration, if any, or ZNB Law upon receiving resident status.

(c) The ZNB or GSP may terminate this Contract whenever the Resident has materially breached any provision of this Contract and such breach has not been cured, or is incapable of being cured, within thirty (30) days of being sent written notice of the breach by the ZNB or GSP.

(d) Within twelve (12) months of a termination of this Contract, the Resident shall either (i) apply for and secure an e-Resident Contract from the ZNB and GSP or (ii) sell and transfer title to any real property located within the ZNB to another resident who is in good standing. If the Resident fails to timely transfer such title, the ZNB or GSP shall be entitled, without further notice or an opportunity to be heard, to record the Resident's obligation to transfer title as aforesaid as a charge against such title, and to commence foreclosure sale proceedings to enforce such charge in accordance with the ZNB Mortgage Foreclosure Sale Statute as an exercise of a duly authorized power of sale, with proceeds from the sale to be promptly paid to the Resident or its assignee less expenses incurred by the ZNB or GSP in conducting the sale and the amount of any outstanding taxes or fees owed by Resident.

(e) The Resident may terminate this Contract or, if otherwise in good standing, downgrade to an e-Resident Contract at any time and for any reason, provided that the Resident first gives the ZNB and GSP written notice of such intention and completely vacates the ZNB within sixty (60) days thereafter. However, any previously paid fee or tax shall not be refunded.

(f) Upon termination of this Contract or the effective date of a downgrade to an e-Resident Contract, the ZNB or GSP may, if necessary, eject or authorize the ejection of the Resident and all of the Resident's movable or personal property from the ZNB, subject to distraint for unpaid fees or taxes under ZNB Law, through the ZNB police department in accordance with applicable legal process or by its GSP through self-help that does not breach the peace.

(g) After termination of this Contract and the vacation of the ZNB by the Resident, the Resident shall be released from any subsequently accrued or incurred obligation or liability to the ZNB, GSP and the default Arbitration Service Provider that may have otherwise accrued; however, all previously accrued or incurred obligations and liabilities of the Resident to the ZNB, GSP or the default Arbitration Service Provider shall survive termination and remain enforceable.

Section 5. Notices. Notice shall be deemed effectively given to the other party under this Contract when sent by email with proof of delivery receipt at the party's e-governance residency email address, as specified below. Otherwise, notice shall be deemed effectively given to the other party under this Contract ten (10) business days after the notice is verifiably placed for delivery to such party through any other reasonable and customary mode of physical delivery at the party's address below.

Section 6. Merger, Interpretation and Severance. This Contract constitutes the entire agreement of the parties relating to the subject matter addressed. This Contract supersedes all prior written or oral communications, contracts or agreements between the parties with respect to the subject matter addressed in this Contract. The Parties agree that it is unreasonable and unjustifiable to rely on any representation, promise, term or condition that is not expressed or fairly construed into the text of this Contract. No presumption shall favor either party in interpreting this Contract. The English version of this Contract shall control the Spanish version in the event of any conflict. If any court or arbitral tribunal shall hold that any part of this Contract is void or unenforceable, the parties hereto agree that such part shall be severed and the balance of the Contract shall remain enforceable and unaffected. However, if such severance renders the Contract incapable of reasonable performance, then the parties agree that the court or arbitral tribunal may reform this Contract to contain the minimum of additional reasonable and customary terms consistent with its expressed intent so that it is capable of reasonable performance, provided that the parties retain the right to terminate this Contract as set forth in Section 4 of this Article IV.

Section 7. Minors and Incompetents. If the Resident wishes to establish ZNB residency for any dependent who lacks the legal capacity to contract, such as children under the age of 18 or incompetent adults, the Resident shall (a) furnish their name, age and other identifying information, (b) sign this Contract on their behalf, which shall be deemed a warranty that the Resident has legal guardianship over such person and has assumed liability for any act or omission committed by such person within the ZNB, and shall either (c) maintain such guardianship during any period of incompetency for duration of the Residency Term, or (d) make reasonable arrangements to relocate such person outside of the ZNB if such person (re)gains competency and thereafter is rejected by the ZNB or GSP as a party to this contract, or otherwise refuses to

join and be bound by this Contract. Any failure to comply with this section by the Resident shall be a material breach of this Contract warranting termination. All actions and omissions of such dependent shall be imputed to the Resident for purposes of determining compliance with this Contract.

Section 8. Disclosure, Disclaimer and Limitation of Liability. Notwithstanding the ZNB's fiduciary obligation relative to the delivery of governance services specified in section 1 of Article III, the Resident acknowledges that related entities and persons are or could be in positions of control and authority over both ZNB and GSP and each has or may derive a pecuniary gain directly or indirectly from decisions made by either entity in connection with this Contract. In recognition of the practical necessity of such joint control and authority due to the organizational and developmental phase in which the ZNB is operating, and the "startup government" nature of the ZNB, the Resident waives and disclaims any claim that a breach of contract, breach of fiduciary duty, or fiduciary fraud would result or should be presumed based on any actual or apparent conflict of interest that has arisen or may arise in any way, whether directly or indirectly, from the continuation of joint control and authority over any or all of the ZNB and GSP by related entities and persons. Further, the Resident agrees that any monetary liability of the ZNB and GSP arising from any cause of action connected in any way with this Contract or the status of residency, including claims for compensatory or exemplary damages, as well as court costs, litigation expenses, attorneys fees, shall be limited to an aggregate amount that does not exceed the greater of: (a) the limits of available insurance coverage(s) for the relevant cause of action; or (b) the difference in the immediately preceding calendar year between (i) 15% of aggregate tax and fee revenues received by the ZNB and GSP and (ii) the booked liability for all other known or threatened causes of action against the ZNB and GSP..

Section 9. Governing Law and Jurisdiction. This Agreement shall be governed by the Roatan Common Law Code, §§2-3-4-0-1-1-1001, *et seq.*, as amended from time to time, without regard to principles of conflict of laws. The sole and exclusive court system, if any, and governmental body having jurisdiction over this Contract, and the sole venue for any claim or cause of action between or among the Resident, the ZNB and the GSP, arising in any way in connection with this Contract, shall be that of the ZNB except as otherwise provided by this Contract and ZNB Law.

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed by their respective duly authorized signatories and have duly delivered this Contract.

ZNB: ZEDE of North Bay

By: Tristan Monterroso Date
Title: Technical Secretary and Member of ZNB Council
Physical Address:
Email Address:

Resident:

By: Date
Title (if any):
Dependents (if any) and their Age(s):
Physical Address:
Email Address:

ZNB: ZEDE of North Bay Trust

By: Date
Title: Trustee
Physical Address:
Email:

GSP: North Bay GSP, Inc.

By: Date
Title:
Physical Address:
Email:

5-9-19 - Special Meeting ZNB Minutes Final ES

Final Audit Report 2019-05-28

Created:	2019-05-27
By:	Nicholas Dranias (ndranias@ndlawpolicy.com)
Status:	Signed
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Nicholas Dranias (ndranias@ndlawpolicy.com) replaced signer gdelgago@newaycapital.com with Gabriel Delgdo Ayau (gdelgado@newaycapital.com)
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Signed document emailed to Rodrigo Quercia (rquercia@newaycapital.com), Titus Gebel (tgebel@newaycapital.com), O. W, Porter (oporter@newaycapital.com), Erick A Brimen (ebrimen@newaycapital.com), and 3 more
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