

**BYLAWS OF THE ASOCIACION CIVICA DE NOSARA**

**FIRST CHAPTER: NATURE, PLACE OF BUSINESS, AND LEGAL REGULATION:**

Article One : Name. The Association shall be called Asociacion Civica de Nosara.

Article Two : Nature The Asociacion Civica de Nosara is a private, non-profit, community welfare entity, and due to its nature has an indefinite duration.

Article Three : Makeup of Membership. The Association is made up of natural persons who participated in its organization meeting and those who have been subsequently admitted as Associates and Honorary Associates pursuant to the provisions of these Bylaws.

Article Four : Place of business - The Association's place of business is Playas de Nosara, Nicoya, first district, second canton of the province of Guanacaste.

Article Five : Legal regulation-The Association shall be governed by Costa Rican legislation, especially by the General law of Associations Nr. 218 of August 8, 1939 and its Amendments, by the Regulations of said Law by Executive Order No. 18670J of November 28, 1988, these Bylaws, the regulations of the Bylaws and the regulations governing the meetings of the Board of Directors and General Assembly, as well as by any other legal or regulatory provisions to be issued in the future. Compliance with these provisions is mandatory and the Association an neither revoke nor cease applying such provisions in any specific cases.

**SECOND CHAPTER: PURPOSES OF THE ASSOCIATION AND WAYS OF ACCOMPLISHING SUCH PURPOSES:**

Article Six : The purposes of the Association are to promote the material and intellectual growth of all the inhabitants of the area known as "Playas de Nosara", without distinction: to promote the regions progress without interference with the local culture of its prior inhabitants or the area's scenic beauties. It shall furthermore watch over the protection and conservation of the regions flora and fauna, striving to maintain the natural ecological balance. It shall be responsible for the organization and operation of any services or utilities necessary to fulfill the above aims.

Article Seven : In order to achieve such purposes, the Association will carry out the following activities ; a) Its Board of Directors may, either directly or through agents or committees, negotiate with the appropriate authorities the adoption of measures or resolutions contributing toward the fulfillment of planned objectives; b) To seek the cooperation of other public or private organizations or individuals, to promote contributions, to launch cultural and advertising campaigns through mass media, as well as to carry out all types of activities related to the attainment of the objectives: c) To encourage harmony, union and community cooperation among its associates; d) To promote cultural, sports, social and intellectual activities to the region's benefit; e) To establish a direct communication between the Association, the local community and the administrative or private units rendering their assistance to the region; f) To enter into all types of agreements and contracts tending to fulfill the Association's objectives g) To receive any donations, legacies, and inheritances to the benefit of general funds and assets; h) To create working committees to motivate the community to support the goals of the Association; i) To receive from its Associates the regular fees and special fees; j) To carry out any other lawful activities in compliance with the Association's objectives, including administrative or judicial actions.

**THIRD CHAPTER: ASSOCIATES OR HONORARY ASSOCIATES: AFFILIATION OR WITHDRAWAL:**

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Article Eight -Minimum number of Associates-The Association shall have a minimum number of ten Common Associates. Any natural person willing to collaborate with the Association may be an associate, provided he/she accepts the Associates' obligations, and provided he/she is admitted as such by the Board of Directors.

Article Nine -The Association has the following types of Active Associates: a )Founding Associates, b) Associates and r)Honorary Associates.

Article Ten -Requisites to become an Associate-Natural persons having the minimum age of 18 and wishing to become Associates shall submit a written application to the Association's Board of Directors.

Article Eleven -Honorary Associate-The distinction as an Honorary Associate is acquired through a statement to be issued by the General Assembly at a regular or special meeting. The Candidate must be nominated with the support of at least five active Associates. Honorary Associates cannot be elected as members of the Hoard of Directors. In General Assemblies, they have authority to speak, but no voting rights.

Article Twelve -Nonactive Associates- Nonactive Associates shall be the founder or Associates whose rights have been suspended as a result of the causes set forth in the present Bylaws and following the procedures set forth therein.

Article Thirteen -Withdrawals- Withdrawals shall take place in the following cases: a)Associate's death: b)If a written or oral resignation is submitted by the Associate to the Board or to the General Assembly; c)Expulsion decreed by the Association's Board, pursuant to the relevant provisions of the present Bylaws; An appeal may be filed before the General Assembly within a fifteen - day period.

Article Fourteen - Book of Associates-The Association shall keep a book called "Registry of Associates of the Asociacion Civica de Nosara" in which the names of all the Founding Associates and of the Associates and Honorary Associates shall be entered in chronological order of admission. In each case it shall be indicated the type of Associate or admission resolution. Cancellations of registrations and suspensions of Associates shall be put down in a marginal note. The operations shall be performed with numbered entries in a continuous order and must be signed by the Secretary.

### **FOURTH CHAPTER: ORGANIZATION:**

Article Fifteen -Association's Bodies-The Association's organization has the following bodies: General Assembly, Board of Directors, Fiscal (Supervising Officer)and Committees.

Article Sixteen - General Assembly-This body is the highest in the hierarchy within the Association, and is in charge of defining the general policies of the Association, and is made up of all the Active Associates. The Secretary and the President of the Board of Directors shall act in such capacities at the General Assemblies.

Article Seventeen -(General Meetings- The General Assembly holds regular meetings once a year during the second fortnight of the month of January at eight A.M., at the Administrative offices of the Asociacion Civica de Nosara in Playas de Nosara. At this meeting, approval is granted to the annual work reports that are

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submitted by the President, the Treasurer, and the Fiscal. The members of the Board of Directors are elected.

Approval is granted to the budgets of the Association. Any other item not subject to a Special Meeting may be discussed and / or voted upon. Special meetings will be held whenever these are called by the Board of Directors, by the Fiscal, or by five Associates. At these meetings only the matters specified in the notice calling the meeting shall be discussed.

Article Eighteen -Notices calling General Assembly Meetings-They shall be made in writing, through circular letters, and/or personal notices, telex and fax messages. It will not be necessary to publish the notice calling the General Assembly meeting in the Official Government Journal "La Gaceta" when no changes take place in the place, Hour, and date of the regular meeting. If otherwise, the notice shall be published ten calendar days in advance in "La Gaceta" and also in a daily newspaper having national circulation.

Article Nineteen -Quorum-The meeting to be held following the first notice calling the meeting requires attendance by one half of the active Associates. If this number is not reached, a second calling for meeting shall be made, and the meeting will take place, thirty minutes after the hour originally set, even if not so specified in the respective notice, and the meeting shall thus be validly held with the number of Associates who are then present.

Article Twenty -Committee of Election-The Committee of Elections shall be made up of three Associates who shall be in charge of the procedures for electing the members of the Board of Directors and the Fiscal for the following period pursuant to the Association's rules and regulations.

Article Twenty-one -Voting-The resolutions and agreements of the General Assembly shall be adopted by a majority vote. These shall be recorded in the Book of Minutes of the General Assemblies. In case of a tie, the President shall cast a deciding vote. In specific cases established in the Law of Associations or in the present Bylaws, the resolutions and actions shall be adopted by means of a majority different from the above-mentioned one, and stated under the law or these Bylaws; if not, the majority shall be made up of two thirds of the Associates attending the General Assembly. Voting may be done by special proxy, pursuant to article one thousand two hundred and fifty-six of the Civil Code. Such proxies shall be valid for a specific meeting and may only be held and voted by Common Associates in good standing.

Article Twenty-two .- Duties of the General Assembly: a) To determine the general policies to be followed by the Board of Directors during the period: b) To elect the members of the Board of Directors and the Fiscal and their substitutes: c) To decide on the annual reports to be submitted by other bodies of the Association: d) To fill any vacancies on the Board of Directors e) To approve the regular financial budgets and the selection of the Auditor: f) To establish the admittance, periodic, special, or extraordinary fees to be paid by the Associates; g) To interpret, as a final authority, the Bylaws of the Association; h) To set the Association's general policies; a.) To approve any changes in the place of business or domicile of the Association; j) To resolve any appeals that may be filed against suspensions or expulsions of Common Associates; k.) To appoint honorary Associates and to cancel such condition; l) Any other duties assigned by the Assembly itself.

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Article Twenty-Three -Object of the Special Assemblies-Special General Meetings are to be called in the following cases: a )To fill vacancies in the Board of Directors or of the Fiscal due to permanent absence, without violating the provisions of clause (d) of the preceding article; b)To amend the Bylaws and Regulations; c) To adopt a resolution on the dissolution of the Association: d)To become affiliated with associations devoted to similar purposes, whether national or foreign: e)Whenever so requested by the Ministry of Justice, in which case a Special Meeting is to be called within thirty days following receipt of such request: f)When there are matters which the Board of Directors considers are affecting the community; g)When required by matters of extreme urgency: At the Special General Meeting called to address the above - mentioned matters, other matters may be included in the respective agendas, when so merited by their nature or urgency.

Article Twenty-Four -The Board of Directors- The Board of Directors directs the Association. It is made up of a minimum of five members who shall remain in office for one year, and they shall be elected during the second fortnight of the month of January: President, Vice-President, Secretary, Treasurer, and Vocal(s) (Board Members with no specific Titles)

Article Twenty-Five -Requisites to be a member the Board of Directors- To become a member of the Board of Directors, the following conditions are to be met: a) To be up to date in all financial obligations to the Association: b) To have been an active Associate for at least six months; c) Not to have any kinship with any other member of the Board of Directors.

Article Twenty-Six -Reelections-The members may not be reelected for more than two consecutive terms in the same office. After one year, an eligible member may be elected for the same office.

Article Twenty-Seven -Impediment Board Members are not allowed to vote matters of personal conflict of interest, and must be excused from voting when the majority of the Board or the Fiscal determines the existence of such a conflict.

Article Twenty-Eight -Duties of the Board of Directors-The Board of Directors shall: a) To execute the mandates of the Bylaws and of the General Assembly; b) To promote activities in conformance with the Association's objectives and to cooperate with national and municipal authorities in matters contributing toward the order and progress of the Nosara community and toward Preservation of the region's ecological order; c) To answer any communication from other public or private institutions: d)To issue, amend, and stipulate the regulations to govern the Association's organization, operation, and activities; e) To approve affiliation or withdrawal of a member: f)To adopt resolutions concerning the Association's expenses: g) To adopt all such measures as are deemed likely to achieve the Association's objectives h) To appoint the managers, accountants and auditors, proxies, agents or representatives, either Associates or not, and committees deemed necessary to take care of the Association's matters. They shall have the duties specified in their respective appointments.

Article Twenty-Nine -Meetings of the Board of Directors-The Board of Directors shall hold regular meetings four times a year, and special meetings whenever these are called by the President, the Fiscal, three Board members or five Associates.

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Article Thirty -Calling a Board of Directors' Meeting-The notice calling regular and special meetings shall be given at least three working days in advance, and these are to be given in writing: By telegram. letter, telex or fax.

Article Thirt-One-Quorum-To hold valid meetings, the Board of Directors' meetings shall be attended by at least one half plus one of its members.

Article Thirty -Two-Approval of Resolutions-Resolutions shall be approved by a majority vote, unless the law, the Bylaws, or regulations should require a larger number of votes. In case of a tie, the President shall cast the deciding vote.

Article Thirty-Three -Recording in the Registry of Associations- The resolutions adopted by the empowered bodies with regard to renewal of members of the Board of Directors and to amendments to the Bylaws must be recorded in the Registry of Associations.

Article Thirty-Four -Supervising Body-This body is made up of a Fiscal and / or a Substitute of full age, elected by the General Assembly for a one- year term.

Article Thirty-Five -Duties of the Fiscal-The Fiscal has the following duties; a)To attend the meetings of the Board with the right to speak but without a right to vote; b) To supervise compliance with the general policies set by the General Assembly; c)To control and ensure that the Minutes of General and Board meetings are kept up to date and correctly; d)To supervise the financial matters and compliance with internal controls, in order to be able to detect any irregularity as soon as it arises; e)To countersign the financial reports and balance sheets; To make the observations and annotations that are deemed pertinent; f)To report to the Board any irregularity that is detected and that is causing detriment to the Association, and to make any relevant recommendations. If the situation is not corrected, the Fiscal shall report this to the General Assembly, by calling a special meeting, if it is urgent; g )To receive complaints from the Associates and conduct the pertinent investigations h)To control compliance with the legal provisions in general by the Association's bodies, and especially with those of the Law of Associations, its Regulations, and the present 8ylaws and the Association's Rules and Regulations; i)To report timely any non-compliance with the resolutions adopted by the General Assembly or by the Board of Directors j)To attend the General Meetings and to submit at the regular meeting a written report of his annual activities.

Article Thirty-Six -Duties of Members of the Board of Directors-The members of the Association's Board of Directors have the following specific obligations and duties: 1.- THE PRESIDENT: a) He/she is the Association's legal representative, in and out of court, vested with a Universal Power of Attorney without any limitation as to sum, holding the powers and functions set forth under Article 1253 of the Civil Code; for specific acts, the President may authorize, in writing. another Member of the Board, or associate, to act on behalf of the Association, including to manage transitory investments on behalf of the Asociacion Civica de Nosara b)Is to chair the meetings of the General Assembly and those of the Board of Directors; c)To draw up the Quarterly Newsletter; d)To sign, jointly with the Treasurer, the checks to cover payments approved by the Board of Directors and th expenses specifically contained in the budgets; The Manager may sign in his absence: e) To execute the resolutions adopted by the Board of Directors and by the General Assembly, and he may in this regard be assisted by the administrative personnel; f) To act as the general coordinator for all working committees, being able to request the assistance of the Vice-

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President and the "Vocals": g) To submit to the General Assembly the annual activity report h) To carry out any other activities required for the Association's proper operation. or assigned by the General assembly and Board of Directors: i) To appoint the Association's employees and to, approve their remuneration. THE VICE PRESIDENT; a )To actively cooperate with the President in performing the functions which have been stated above: b) To replace the President when absent with identical powers, functions, and duties; c) To perform any other tasks that are assigned by the Board of Directors. 3. THE SECRETARY; a )To supervise the adequate custody of the Association's documents and their conservation in good condition; b) To ensure that the Books of Minutes of the General Assembly and Board of Directors meeting are kept up to date: c) To ensure that the Book of Associates of the Asociacion Civica de Nosara is correctly kept and to sign the respective entries: d) To sign the minutes of the General. Assembly and Board of Directors' meetings: e )To ensure that any correspondence that is received is made known immediately to the Board of Directors or to the Fiscal, according to their contents, in order to prevent any delays in their processing; f) To ensure the adequate communication by the Administration of the relevant resolutions that are adopted by the Board of Directors and, at the same time, to inform about any other relevant resolutions: g) To receive the applications of those interested in becoming Associates: h) To organize and effect the updating of the Association's files; i) To sign the notices to be given to the new Associates regarding their admission as such: j) To sign the suspension and withdrawal notices to the Associates, with the transcription of the respective resolutions: k) Any other tasks assigned by the Board or the General Assembly that are compatible with the previously stated obligations and duties 4. THE TREASURER: a) The Treasurer is responsible for conserving the Association's assets, especially the funds and financial activities; b) To control the regular income of the Associates' regular and special fees c) To sign the Association's checks jointly with the President; in the absence of the Treasurer, the Vice-President may sign: d )To ensure that all disbursements are made in checks; e) To ensure that the treasury and accounting books are kept updated and in order, and that these clearly show the financial status of the Association: f) To submit a monthly financial report to the Board: g) To submit an annual report to the General Assembly on the Association's financial status. The financial report shall be signed by the Treasurer and countersigned by the Fiscal; h) To submit to the Board, at the latest on November 30th, the Association's annual budget project: i) To keep control of the Association's investments; j) To supervise the timely bank deposits of the Association's cash income; L:) Shall keep updated the Fidelity Bond with the National Insurance Institute up to amount set under the Association's regulations: 1 )Any other pertinent tasks assigned by the General Assembly or by the Board of Directors. 5. The "VOCAL": a )In temporary absences, he/ she shall replace the members of the Board, assuming the obligation and powers relevant to their positions, except for the President, who shall be replaced by the Vice President, who in turn shall be replaced by a Vocal: b) To actively collaborate in the working committees that are organized, and to participate in at least one of said committees: c) To promote the Association's proper operation; together with the other members of the Board. d) Any other tasks assigned by the Board or by the President.

Article Thirty-Seven -Committees- a) These are the Working bodies of the Association. These shall be appointed by the Board and be made up of no less than three members, among them, at least one member of the Board. The other members must be active Associates: b )The Permanent Working Committees shall be primarily organized to promote election of the Board, to maintain and control the services provided by the Association, and to promote conservation of the area's flora and fauna, making sure that the region's scenic beauties are

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preserved; c) The Committees are coordinated by the President of the Board or by the Vice President, through delegation.

### **FIFTH CHAPTER: RIGHTS AND OBLIGATIONS OF THE ASSOCIATES**

Article Thirty-Eight -Rights of the Association-The Common Associates have the following rights: a )To attend the General Meetings with the right to speak and to vote, provided they are up to date in payments of their regular and special fees; b)To elect and be elected as Board member, Fiscal, or member of committees: c)To participate in the social and cultural activities carried out by the Association: d)to enjoy the buildings and all other facilities owned by the Association: e)To submit projects, make motions and suggestions to the Association, either before the Board of Directors or directly at the General Meetings: f)To denounce before the Fiscal of the Association, any irregularities that are observed in the actions of a Board member. If the irregularity concerns the Fiscal, the denouncement may be made before the Board of Directors or before the General Assembly; g )To request jointly with the number of associates required under the present Bylaws, the holding of a Special General Meeting; h)To participate in the proportional. distribution of assets in the event of the Association's dissolution. The suspended common Associate shall have the following limitations: a )They shall not have the right to speak. or to vote at the General Meetings; b) They may not be elected as Board members, be part of committees or represent the Association in any ways whatsoever.

Article Thirty-Nine -Rights of Honorary Associates-Honorary Associates shall have the following rights: a )To attend the General Meetings with the right to speak, but without rights; b) To submit projects, make motions and suggestions tending toward the Association's proper operation; c)They may participate in the committees.

Article Forty -Duties of the Associates-The Common and Honorary Associates shall have the following duties: a )To attend General Meetings and sessions and meetings they are requested to attend. If it is not possible for them to attend, they shall give notice; b )To communicate to the Association's Fiscal or to the General Assembly any abuse by the Board members or by the Fiscal in their positions; c) To comply with the functions requested by the Association: d) To efficiently fulfill the tasks assigned directly by the Association or those as a member of a committee: e)To behave in a friendly and respectful manner toward other Associates as well as toward the administrative personnel and Employees; f)To defend the Association's prestige by promoting and encouraging full compliance with its purposes; g)To pay the regular and special fees set by the Association: h)To keep updated the financial engagements contracted with the Association; i)To comply with the provisions of the Present Bylaws, the Law of Associations and its regulations, and with any other rules and regulations to be issued, as well as with any resolutions that are adopted by the General Assembly and the Board of Directors: k.) Any other duties arising from being an Associate, pursuant to the laws and Good faith.

### **SIXTH CHAPTER: SANCTIONS AND EXPULSION PROCEDURES**

Article Forty-One -Types of Penalties-The following penalties or sanctions are hereby established by the Association: a )Written warnings; b) Suspension of up to six months: c)Expulsion.

Article Forty-Two -Applications of Penalties or Sanctions-They shall be applied as follows ; 1. A written warning shall be given: a )When the duties imposed by the Law of Associations and its regulations. the present Bylaws, the

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Association's regulations, the resolutions adopted by the General Assembly and the Board of Directors are not being abode by, provided such noncompliance does not cause any serious damages to the Association or to its beneficiaries: b) When there is participation in acts that are contrary to the Association's purposes: c) When, without any justified reason, three payments of fees to the Association are omitted. 2. A suspension shall be applied proportionally to the seriousness of the transgression or its persistence in the following cases: a) In the case of subsections (a) and (b) above, provided that as a result of the action or its omission a serious damage is caused to the Association or to its beneficiaries; b) When without any justification a member does not pay four monthly or special. fees of the Association: c) When provisions made by the Board of Directors or by the General Assembly are not abode by, with no sufficient justifying reasons: d) When a member- acts against the social principles and purposes or denigrates the image of the Association itself, or of those making up the Association: Expulsion shall be decreed in the following cases; a) Those indicated in subsections (a) and (b) of the first paragraph of this Article when from such situations or omissions damages would arise, being these damages classified as very serious: h) When the physical and financial assets of the Association are misused c) When a member omits payment of five or more fees. either regular or special: d) When one acts on behalf of the Association without having the powers to do so: e) When any of the transgressions listed in subsection (c) of the preceding clause ( i) should occur, provided such action causes serious infringements of the Association's principles and purposes or if the respective deterioration caused to the image of the Association or of its Associates is very serious. Any suspension or expulsion shall be communicated in writing to the Associate, who shall sign an acknowledgment receipt. In the event the suspended or expelled Associate should refuse to sign, two eye witnesses of the delivery of said written communication shall confirm this with their signatures. In the event that the suspended or expelled Associate is not available for such service of communication, a notice by certified or registered mail shall serve as such legal communication. Said communication shall specify the date and number of the resolution in which the respective decision was made. The sanction shall be applied in regard to the transgression that has occurred, not being necessary to previously apply the minor sanctions.

Article Forty-Three -The Board of Directors shall be in charge of applying the relevant sanctions. The suspension and expulsion may be applied before the Fiscal within fifteen days of receipt of notice, for presentation by the Fiscal at the next General Meeting.

### **SEVENTH CHAPTER: ASSOCIATION'S CAPITAL**

Article Forty-Four -Capital- Association's Net Worth shall consist of its real property, personal property, rights, securities, and cash money, as per duly updated inventories and accounting data.

Article Forty-Five -Resources-To form its capital, the Association shall have available the following resources; a )Entrance fees and periodic fees of the Associates to be set by the General Assembly; b)Special fees of the Associates to be set by the Board of Directors for specific purposes of a special nature; c)Donations; d)Sums collected in different cultural, social or sports activities, or in any other activities that the Association may deem convenient; e)Legacies; f)Fees for services.

Article Forty-Six -All of the Association's funds shall be kept and handled in checking and savings accounts at a Bank of the National Banking system. All of

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the Association's securities and other important documents shall be deposited in a bank's safe box.

### **EIGHTH CHAPTER: AMMENDMENTS TO THE BYLAWS AND DISSOLUTION:**

Article Forty-Seven -Amendments to the Bylaws-The Association may either fully or partially amend its Bylaws. This is to be done at a Special General Meeting, especially called for such a purpose. The affirmative votes of the two thirds of the Associates shall be required and their registration shall be effected pursuant to the provisions of Article 19 of the Law of Associations and its amendments. Any proposal for amendments shall be submitted to the Associates a month ahead, along with the reasons justifying such amendments.

Article Forty-Eight -Voluntary Dissolution-The Association may be voluntarily dissolved when it is so decided by two thirds of its Associates at a Special General Meeting, especially called for that purposes.

Article Forty-Nine -Legal Dissolution-The Association shall be dissolved when the circumstances provided for under Article 13, 27, and 34 of the Law of Associations and its amendments should occur.

Article Fifty -Distribution of Assets- Once the extinction is declared, the Association's assets shall be distributed proportionally among the Associates. At the same Meeting when the extinction is decided, three natural persons shall be appointed as liquidators. They shall jointly earn fees for an amount not exceeding five per cent of the net worth to be liquidated. In the absence of such appointments the liquidation shall be effected by the First Civil Judge of San Jose.

Article Fifty-One -The Administrative year shall run from the first day of February thru the thirty-first day of January of the following year. The fiscal year shall run from the first day of October thru the thirtieth day of September of the following year.

### **NINTH CHAPTER: FINAL PROVISIONS:**

Article Fifty-Two -The Association may become affiliated with other associations having similar objectives, whether national or foreign entities, if so decided by the General Assembly in a special meeting.

Article Fify-Three -Any situation not provided for in the Law of Associations, in the present Bylaws, and in the regulations governing the Asociacion Civica de Nosara, shall be decided upon by the General Assembly of the Association. The General Assembly shall likewise ultimately be in charge of interpreting the stated