

EXECUTIVE AGREEMENT NUMBER 002-2004

THE CONSTITUTIONAL PRESIDENT OF THE REPUBLIC OF HONDURAS

CONSIDERING: That according to Presidential Agreement No. 087 issued on March 30TH, 1982 the Department of Bay Islands was declared a Tourist Zone.

CONSIDERING: That according to Ministry Agreement No. 213 issued on September 21ST, 1989 the Ministry of Culture and Tourism declared the Department of Bay Islands a Zone of Ecological Conservation.

CONSIDERING: That Executive Agreement No. 005-97 issued on March 26TH, 1997 created the National Sea Park of Bay Islands as part of the National System of Protected Areas in Honduras.

CONSIDERING: That having defined the domestic tourist activity as a priority for the Central Government and given that it is an important economic activity in the Department of Bay Islands as well as a priority zone in terms of ecological conservation and environmental management, it is necessary to determine the capacity of the environment to tolerate a sustainable and balanced development.

CONSIDERING: That Presidential Agreement No. 005-2002 issued on August 06TH, 2002 created the Executive Commission of Sustainable Tourism of the Department of Bay Islands as a mechanism for the coordination, consultation and implementation of regulations, plans and instruments for the organization of the territory and environment of the region.

CONSIDERING: That Legislative Agreement No. 180-2003 approved the Law for Territorial Organization (Ley de Ordenamiento Territorial), which established that it is a State policy to promote a comprehensive, strategic and efficient management of natural resources and stated that tourist zones, protected areas and territorial sea are subject to the national management regime.

CONSIDERING: That it is urgent to implement policies and measures orientated to conserve and protect the environment of the Department of Bay Islands, which is formed by the following isles: Roatán, Guanaja, Utila, Barbareta, Elena, Morat and adjacent Cays.

CONSIDERING: That we cannot postpone the need to issue regulations that regulates the development of the Department of Bay Islands in order to protect the fragile natural environment of the islands, cays and the surrounding coral reef barrier while the Law for Territorial Organization is approved.

CONSIDERING: That the main elements of the ecosystem whose fragility must be protected will be:

- Coral reefs
- Vegetation, fish and invertebrates living in the reefs
- Mangroves and sea vegetation layers
- Emerged coral formations
- Local species of fauna, specially those in danger of extinction
- Wooded areas and local flora species.

THEREFORE

In exercise of the faculties granted by Articles 245 paragraph 11 of the Constitution of the Republic of Honduras and Articles 116 and 118 of the Public Administration General Law,

IT IS AGREED TO APPROVE THE FOLLOWING GENERAL RULES FOR CONTROLLING THE DEVELOPMENT OF THE DEPARTMENT OF BAY ISLANDS

CHAPTER I PRINCIPLES AND OBJECTIVES

GENERAL OBJECTIVE: AIM OF THE RULES

Article No. 1: The aim is to organize every activity that has an effect on tourist, housing, commercial and industrial activities. This organization is based on the need to conserve the environment and to draw up an all-comprehensive plan for the territory, which are determining elements for the consolidation of a high quality, diversified and sustainable development.

CHAPTER II DEFINITIONS AND CONCEPTS

Article No. 2: For the purposes of the application of this agreement, the following concepts are defined:

MAXIMUM HEIGHT OF THE BUILDING (ALTURA MAXIMA DEL EDIFICIO) :
The maximum height of a building will be defined as the vertical distance from the most unfavorable point where the building is in contact with the natural level of the ground up to the top of the building.

CETS: Executive Commission for Sustainable Tourism of the Department of Bay Islands (Comisión Ejecutiva de Turismo Sostenible de las Islas de la Bahía), as established in Presidential Agreement No. 005-2002.

EMERGED CORAL (CORAL EMERGIDO): Unique geological formation made of a fossilized coral reef that emerges above the sea level given to tectonic movements.

PMAIB: Bay Islands Environmental Management Project. (Programa Manejo Ambiental de las Islas de la Bahía)

GOVERNING SCHEME (ESQUEMA DIRECTOR): Document that summarizes the natural resources and environmental problems and that proposes a plan for the environmental organization of the archipelago. This document was prepared by PMAIB.

ANCHORING (FONDEO): Action of securing a vessel or any other floating object by using anchors that fix them to the bottom of the sea.

WATER LOT (LOTE DE AGUA): Any immovable asset whose possession has been granted to an individual or entity by the City Council and whose surface is partially or totally submerged during high tide, whether naturally or artificially.

MANGROVE (MANGLAR): Hydrophilic forests of salt-tolerant woody plants that have developed physiological, reproductive and structural adaptations that allow them to colonize flooded areas and saline substrata which are frequently anaerobic; mangroves are characterized by their common ability to grow and prosper along the coastline where they are protected from tides.

OCCUPATION OF THE PREMISES (OCUPACION DEL PREDIO): Percentage of the total area of the premises that can be subject to construction. Buildings, constructions and covered corridors will be considered occupied premises. Water deposits, purifying stations (provided that they are not in sight), highways or access streets, pools and jetties will not be considered occupied premises.

BEACH (PLAYA): The extension of land between the maximum reach of the waves during high tides and the ordinary reach of low tides.

PREMISES (PREDIO): Lot or portion of land located on solid ground.

TOURIST ROAD (VÍA TURÍSTICA): Small dimension highway, whose sidewalk is of not more than seven (7) meters; it can have tourist equipment such as viewpoints, bike roads, rest areas, etc.

CHAPTER III TURIST ZONING REGULATIONS AND RULES

Article No. 3: Applications for developing any kind of project in the districts of the Department of Bay Islands must be approved by the competent authorities, according to the current legislation; CETS must be involved as provided by these General Regulations.

Article No. 4: In order to regulate the different uses of grounds that are allowed in the districts of Roatán, Santos Guardiola, Utila and Guanaja, we hereby adopt the “Esquema Director” (Governing Scheme) prepared by the Programa Manejo Ambiental de las Islas de la Bahía (Bay Islands Environmental Management Project) as a source for the development of future guides, rules and regulations. The City Halls of these districts as well as other competent authorities will be technically guided and will act according to the recommendations of the “Governing Scheme”.

Article No. 5: The provisions and regulations herein included do not apply for tourist projects that have already been approved or studied by the Ministry of Tourism and/or the Honduran Tourism Institute nor for any other project, whether tourist, housing, commercial or industrial, that has already obtained a resolution or Environmental License currently in force issued by the Ministry of Natural Resources and Environment, even if the construction has not started on the date this regulation comes into force.

Furthermore, the provisions or regulations herein included do not apply for projects or constructions that will be developed in existing centers of population or consolidated zones, such as:

District of Roatán: French Harbour, Coxen Hole, Flowers Bay and Monte Placentero

District of José Santos Guardiola: Oak Ridge, Jonesville and Punta Gorda

District of Guanaja: Bonacca Cay, El Pelicano, Savannah Bight and Mangrove Bight

District of Utila: Utila Town, Up Cay and Down Cay

In these consolidated zones, the regulations established by local rules or norms as well as other current legal provisions will prevail; nevertheless, the maximum height of buildings must be respected according to the provisions of article 7 that follows.

The provisions or regulations herein included will neither apply to “Monumento Natural Marino Archipiélago de Cayos Cochinos” (Natural Sea Monument of the Archipelago of Cayos Cochinos), which is subject to the provisions of its own Management Plan.

Article No. 6: In case that the premises are used differently from the purpose established in the authorized project, the authorization will be revoked.

Article No. 7: In order to conserve the features of the shoreline, to allow the access to public beaches and to harmonize the aesthetic effect of the constructions, we establish the following zoning:

- **BEACH ZONE (ZONA DE PLAYA):** No hotel, housing, commercial or industrial construction can be built on this area. In order to establish communication in this zone and provided that the premises face the sea, low impact roads, preferably made of natural materials that do not alter the landscape, as well as jetties or quays can be built, according to the conditions defined for these purposes. Necessary works for the illumination of the

coast and sea signaling as well as works conducted by the State for the improvement, protection and maintenance of the zone are allowed.

- ZONE “A” (ZONA “A”): A strip of twenty-five meters (25 m), parallel to the beach or shoreline, divided in two sub-zones, whose treatment is different depending on whether there is a beach or not.

In case that there is beach:

The first sub-zone will be of ten meters (10 m) wide, adjacent to the beach; it will be for public use and will have the same limitations established for “Beach Zone” described before.

The second sub-zone of fifteen meters (15 m) wide, where independent constructions can be built, provided that they are small, light and do not obstruct visibility. The maximum height of the buildings is of ten meters (10 m) and the maximum occupation of the premises will be of 25%.

Other kinds of shoreline:

The first sub-zone will be of ten meters (10 m) wide, where independent structures can be built, provided that they are small, light, open and do not obstruct visibility. The maximum height of the constructions is of ten meters (10 m) and the maximum occupation is of 15%.

The second sub-zone is of fifteen meters (15 m) wide and will have the same limitations established in the previous paragraph, except for the maximum occupation of the premises, which is increased up to 25%.

- ZONE “B” (ZONA “B”): A strip of eighty meters (80 m), parallel and adjacent to Zone “A”, where the maximum height for constructions is of fifteen meters (15 m) and maximum occupation of the premises is forty-five percent (45%).

- ZONE “C” (ZONA “C”): The remaining part of the island’s territory, adjacent to Zone “B”, one hundred and five meters (105 m) away from the shoreline or beach, where the maximum height of constructions is of twenty meters (20 m) and the maximum occupation of the premises is of thirty percent (30%).

After being authorized by CETS, socially orientated urban projects for people with low income can be built if the maximum occupation of the premises is of 80%, provided that the house lots do not exceed approximately eighty-four square meters (equivalent to 120 vs2).

- “HIGH” ZONE (ZONA “ALTA”): Two hundred meters (200 m) above sea level in the districts of Roatán and José Santos Guardiola, and two hundred and fifty meters (250 m) on the island of Guanaja, above which the maximum occupation of the premises will be of twenty percent (20%) and the maximum height of constructions will be of ten meters (10 m).

Tourist highways and roads will be allowed in this zone provided that they are designed minimizing cuts and fillers, are covered with asphalt, concrete, paving stones or stones, and have the necessary works that allow the collection and disposal of rainwater in order to avoid erosion and sedimentation. Tourist highways and roads will also need an impact assessment study and an Environmental License.

In case that a “high” zone overlaps with zones “A”, “B” or “C” described before, the rules herein contained will prevail.

- **ZONE OF “PRIORITY TOURIST USE” (ZONA “DE USO TURISTICO PRIORITARIO”):** A “Zone of Priority Tourist Use” is created in case of shoreline with beach. This zone includes zones “A” and “B” described before and will be exclusively used for hotels, gastronomy and recreation activities. Up to 30% of the promises can be used for housing projects; it is forbidden to use them for industrial projects unless the zone has been qualified as such by the “Governing Scheme”.

- **“CAYOS AND ISLOTES” (CAYS AND ISLETS):** The rules established for Zones “A”, “B”, “C” and “of Priority Tourist Use” do not apply for cays and islets, except for the strip of ten meters (10 m) width adjacent to the beach that is left for public use and the maximum height of constructions.

Projects intended to be developed in cays and islets might be informed to CETS, which will decide whether they are feasible or not and will transfer them to the competent authorities, who will issue the final approval according to the corresponding legislation.

Article No. 8: It is forbidden to create and register new immovable assets known as “Water Lots” that are not registered before the Real Estate and Mercantile Registry of the Department of Bay Islands at the moment this regulation comes into effect, as well as those “Water Lots” duly registered but where no construction has been built at the moment this regulation comes into effect. In both cases, no construction can be built nor new Construction Licenses can be requested in order to avoid more damage to coral reefs and sea ecosystems.

Titles that have been granted incorrectly up to this date by some City Councils in favor of individuals or entities on Water Lots are legally considered absolutely void given that they have been granted on areas that correspond to the Sea Platform whose sovereignty belongs exclusively and inalienably to the State of Honduras; it has been necessary to establish a specific regulation in order to prevent that this anti-legal phenomenon of granting title documents continues and to avoid further damage to the Mangroves and Coral Reefs.

Article No. 9: Except for infrastructure, water signaling and other coast improvement and protection works as well as the provisions of Articles 19 to 26 regarding jetties, quays and “marinas”, it is forbidden to build any construction in the sea, whether for commercial, housing, industrial or any other use. Only small buildings, including hotel

rooms, restaurants and other recreational constructions are allowed, provided that they are part of a larger hotel project located in adjacent premises that face the sea and that belong to the same owner and provided that they do not produce any sewage, solid waste and other pollutants that outflow to the sea. For the construction of these small buildings, it is necessary to conduct an environmental impact assessment and to obtain an Environmental License granted by SERNA (Ministry of Natural Resources and Environment).

CHAPTER IV PROVISIONS FOR NEW DEVELOPMENT PROJECTS

HOTEL PROJECTS

Article No. 10: The minimum infrastructure must be the following:

1. System for collecting rainwater
2. System for distributing drinking water
3. System for separating sewage, which must be poured to a sewage treatment system or submarine transmitter that fulfills the National Technical Regulation.
4. Underground system for distributing electric power, street lighting, telephone lines and/or cable services.
5. Corresponding sanitary permits.

Article No. 11: For the construction, extension, redesigning and/or operation of facilities used as hotels, the following guidelines must be considered:

1. Drinking Water. The hotel must have reservoirs for complying the needs of the hotel for at least three days, maximizing the collection of rainwater. The average volume considered is of four hundred liters (400 L) or one hundred and five gallons (105 GAL) per room per day. Regardless of the source of the water, sewage must be treated in order to be drinkable according to National Technical Regulation for the Quality of Drinking Water.
2. Treatment and disposal of sewage. The hotel must have a special system proportional to the number of rooms; it must be a closed circuit that captures and pours sewage to the treatment stations installed within the premises. The system that flows from the sewage treatment system must fulfill the National Technical Regulation for the Outflow of Sewage to Recipient Objects and Sewer System and can be used for irrigation. A submarine transmitter system can be considered provided that it fulfills the National Technical Regulations.
3. Treatment of solid waste. The hotel must ensure the collection, classification and disposal of any solid waste. The capacity of production of solid waste is calculated according to the standard of two kilograms (2.0 Kg or 4.4 pounds) of solid waste per person per day. The disposal of this solid waste can be by dumping site or by any other

method duly authorized. In case that the City Hall is unable to provide the service for the disposal of solid waste given the large amount or nature of the waste, the hotel must implement a program of solid waste management which must be duly authorized as part of its Environmental Management Plan.

4. Electric Power. The hotel must obligatorily have this service whether by direct connection to the distribution network or by its own system of generation of electric power; in this last case, the hotel must prefer alternative sources for a clean generation of electricity.

5. Protection against fire. The hotel must have a prevention system against fire and emergency exits in each building.

6. Facilities for temporary employees. During the construction stage, developers of the project must provide employees with housing, sanitary and other required facilities.

7. Fencing of Premises. Fences or walls that obstruct visibility will not be allowed in front of the beach. Barbwires will only be permitted in agricultural zones that have been envisaged for this purpose by the Governing Scheme.

RESIDENTIAL OR URBAN DEVELOPMENT PROJECTS

Article No. 12: The minimum infrastructure must be the following:

1. System for collecting rainwater
2. System for distributing drinking water
3. System for separating sewage, which must be poured to a sewage treatment system or submarine transmitter that fulfills the National Technical Regulation; and
4. Underground system for distributing electric power, street lighting, telephone lines and/or cable services.

Article No. 13: For the construction and/or extension of residential or urban development facilities, the following guidelines must be considered:

1. Drinking Water. The project must have reservoirs for complying the needs of consumption, maximizing the collection of rainwater. The average volume considered is of two hundred liters (200 L) or fifty gallons (50 GAL) per person per day. Regardless of the source of the water, sewage must be treated in order to be drinkable according to National Technical Regulation for the Quality of Drinking Water.

2. Treatment and disposal of sewage. The project must have a system that is connected to the community network of sanitary sewer or, failing that, its own treatment system that meets the number of residents and that is a close circuit that captures and pours sewage into the treatment stations installed within the premises. The system that flows from the sewage treatment system must fulfill the National Technical Regulation for the Outflow of Sewage to Recipient Objects and Sewer System and can be used for irrigation. A

submarine transmitter can also be used provided that it fulfills the Technical Regulations herein established.

3. Treatment of solid waste. The project must ensure the collection, classification and disposal of any solid waste. The capacity of production of solid waste is calculated according to the standard of one kilogram (1.0 Kg or 2.2 pounds) of solid waste per person per day. The disposal of this solid waste can be by dumping site or by any other method duly authorized. In case that the City Hall is unable to provide the service for the disposal of solid waste given the large amount or nature of the waste, the project must implement a program of solid waste management which must be duly authorized as part of its Environmental Management Plan.

4. Electric Power. The project must obligatorily have this service whether by direct connection to the distribution network or by its own system of generation of electric power; in this last case, the hotel must prefer alternative sources for a clean generation of electricity.

5. Green areas. Every project must have green areas equivalent at least to ten percent (10%) of the total area that will be developed.

6. Facilities for temporary employees. During the construction stage, developers of the project must provide employees with housing, sanitary and other required facilities.

7. Fencing of Premises. Fences or walls that obstruct visibility will not be allowed in front of the beach. Barbwires will only be permitted in agricultural zones that have been envisaged for this purpose by the Governing Scheme.

COMMERCIAL AND INDUSTRIAL PROJECTS

Article No. 14: The minimum infrastructure for new commercial and industrial projects will be the following:

1. Connection to the network of drinking water or to its own supply source; water storage capacity must meet the projected needs.

2. Connection to the sewer system or to its own sewage treatment system which must meet the needs and be proportional to the characteristics of the inflow; it must also capture and dispose of the sewage to the treatment stations. The outflow of the treatment system must meet the National Technical Regulation for the Outflow of Sewage to Recipient Objects and Sewer System.

3. Collection, classification and disposal of any solid waste generated within the project. In case that the City Hall is unable to provide the service for the disposal of solid waste given the large amount or nature of the waste, the project must implement a program of

solid waste management which must be duly authorized as part of its Environmental Management Plan.

4. Connection to the network of electric power or, failing that, to its own system of generation of electric power; in this last case, the project must prefer alternative sources for a clean generation of electricity.

5. Street lighting and telephone lines.

6. Fulfillment of any special regulation issued for the rational use of water and the disposal of sewage.

CHAPTER V ARCHITECTURAL PROVISIONS

Article No. 15: The architectural features of any kind of development built must be adapted to the social and natural environment that dominates the Department of Bay Islands, minimizing any possible obstruction of the visibility of the landscape that the buildings may cause.

Article No. 16: Any information, promotion, guidance, preventive and restrictive signaling must be adapted to the context and the building where it is located, according to the local provisions.

CHAPTER VI SEA INFRASTRUCTURE AND ACTIVITIES

Article No. 17: Boats used as Cruises are forbidden to load drinking water or unload sewage or solid waste in the Department of Bay Islands, except for emergency cases that have been previously verified by the competent authority.

Article No. 18: Sea activities that permit placing any kind of fixed structures in the sea soil or subsoil, specifically vessels sunk with recreational purposes will be subject to the provisions of the Organic Law of Merchant Navy, previous analysis and approval issued by CETS and Environmental License issued by SERNA.

Article No. 19: Technical specifications regarding the construction, installation and operation of facilities for small vessels include quays and shipyards authorized by CETS and the General Directorate of Merchant Navy.

Article No. 20: Quays and shipyards include one or more of the following activities:

- a) Repair and maintenance of boats,
- b) Storage of boats,
- c) Management of sewage,
- d) Management of solid waste,
- e) Management of fuels

Article No. 21: Any new quay or shipyard will require a previous assessment of the environmental impact and an Environmental License issued by SERNA.

Article No. 22: Every quay-related activity as well as major repair of vessels must be conducted in a “Dry Dock” (Dique Seco). Minor repairs, such as painting, oil change and other maintenance activities for vessels must be conducted in industrial or commercial areas specifically designated for this purpose by the Governing Scheme and located between Coxen Hole and French Harbour (in Roatan), Oak Ridge (in Santos Guardiola), Cayo Bonacca, Armadores and Savannah Bight (in Guanaja) and Utila Town (in Utila) in order to fulfill the existing environmental rules and provisions issued by SERNA.

Article No. 23: The design, construction, extension and/or operation of a “marina” must fulfill the following guidelines:

1. Ensure the flow and exchange of water within the marina basin (“rada”) in order to keep an acceptable quality level of the water;
2. Avoid changes in the line of the shoreline in order to reduce erosion, sedimentation and the frequency of dredging;
3. Provide access to deep navigation water according to the size and kind of vessels;
4. Have the appropriate infrastructure for the management of solid waste and the supply of electric power; and
5. Have safety measures and an emergency plan for fire and leakages of hydrocarburant and other waste.

Article No. 24: In the case that gas stations are built in the marinas, these must include the appropriate structure for the reception, storage and supply of fuel.

Article No. 25: Marinas and shipyards must have appropriate facilities for the disposal of liquid and solid waste that are generated on site, including the separation of oil waste and a system that separates oil waste from water. Liquid waste cannot be poured into the water of the marina or beach. Marinas and shipyards must have solidifiers and diffusers that facilitate the removal of fuel in case of a leakage.

Article No. 26: The construction of jetties in the shoreline must be subject to the technical criteria and zoning established by CETS and that will be adopted and approved by the City Halls.

CHAPTER VII

PROVISIONS FOR THE CONSERVATION OF THE ENVIRONMENT

Article No. 27: ZONES OF SPECIAL PROTECTION (ZONAS DE PROTECCION ESPECIAL): Zones that due to their landscape, environment and forestry nature must receive a special protection are considered part of the System of Protected Land Areas of the Department of Bay Islands according to the Governing Scheme and will be evaluated and validated by CETS and included in the regulations of the City Hall Environmental Units (UMAS). These areas will be protected and therefore conserved and defended. No

changes are allowed in the use of the forests; no constructions can be built, except for those necessary for the conservation of the forest, environment and for sightseeing provided that they are compatible with the guidelines of the management plans approved by CETS. Any other work of social interest or public use must be obligatorily preceded by an assessment of the environmental impact and must obtain its corresponding Environmental License before it is authorized.

Article No. 28: The anchorage of vessels on the coral reefs as well as the unloading of sewage, oil and solid waste from the vessels anchored out of the jetties, quays or marinas are expressly prohibited; these activities can only be conducted in the zones established by CETS.

Article No. 29: It is forbidden to hunt and/or trade any flora or fauna species that are endangered, especially black coral and sea turtles; this includes every sub-product or handcraft made out of them. The collection and capture of threatened or endangered fauna species will always require the corresponding authorization issued by the competent authorities; it is only allowed to use these species with recreational or scientific purposes.

Article No. 30: Divers, diving instructors and people in general are forbidden to extract coral, shells or any other species that is part of the coral structure. The non-fulfillment of this provision will be sanctioned. Operators and diving instructors will be responsible for the fulfillment of this provision and will take responsibility in case that the divers in their charge do not fulfill it.

Article No. 31: It is forbidden to extract, fish and exploit reef fish that are not authorized by the General Directorate of Fishing.

Article No. 32: It is forbidden to exploit reefs in order to use them as construction materials as well as to construct any kind of building with these materials. It is also forbidden to build any kind of construction on top of the reefs.

Article No. 33: It is forbidden to create new artificial beaches and to conduct dredging activities from the date this regulation comes into effect, except for those projects aimed to restore beaches that have been affected by natural phenomena, to restore existing artificial beaches and those projects that have a social or community orientation. In every case, it is required to conduct an Environmental Impact Assessment and to obtain an Environmental License issued by SERNA.

Article No. 34: The accumulation of solid waste in public ways, such as highways, beaches, fountains, water courses, green areas and any other non-authorized site as well as the obstruction, impoverishment or pollution of natural courses or leakages due to excess of rainwater must be avoided. The banks of these areas must have trees that are native to the islands in order to increase the tourist attraction and to improve the landscape. In case of non-fulfillment of these provisions, the City Halls will impose the corresponding sanctions.

Article No. 35: It is forbidden to bring or trade plastic bags or containers within the territory of the Department of Bay Islands; this includes bags and containers used to sell purified water, sodas and other drinking liquids, among others. The company that distributes these products can request CETS to issue an authorization for importing and trading them only if the company undertakes to place collecting centers and remove plastic from the islands. In case that the distribution company does not fulfill this agreement, the authorization will be revoked and the corresponding sanctions will be imposed.

Article No. 36: Considering the damages that different human activities cause to marine and coastal ecosystems existing in the Department of Bay Islands, competent authorities will design an environmental-related educational program that includes both the formal and informal educational systems; this program must create texts that are appropriate to the environmental reality of the zone, include environmental issues to the school curriculum, conduct community campaigns and diffuse themes related to the conservation of natural resources through the media, among others.

PROTECTION OF MANGROVES AND EMERGED CORAL

Article No. 37: For the purposes of this regulation, it is considered that mangroves must be specially protected and therefore the ZONE FOR THE PROTECTION OF MANGROVES (ZONA DE PROTECCION DEL MANGLAR) is created: This zone includes all existing mangroves on the islands whether they are alive or dead, given that the purpose is to recover the typical flora of the islands. Furthermore, this zone includes a 10-meter strip of land parallel to the mangrove in order to conserve it.

Article No. 38: It is forbidden to grant any title, neither of useful ownership nor fee simple, within the areas where mangroves are located.

Article No. 39: Areas with the different functional values established by the Governing Scheme are recognized within the limits of the zones for the protection of mangroves. CETS will elaborate specific guides to regulate how these different activities will use the mangroves considering the zoning established by the Governing Scheme. Low-impact walks or platforms, especially those made of wood, are allowed provided that they have been previously approved by the competent authority, that they contribute to the rational use and conservation of the mangroves and that they have access to the adjacent zones so that mangroves can be used as an eco-tourist attraction.

Article No. 40: Planting or reforesting high-functioning zones that need to be recovered must compensate for the authorized cutting of low-functioning mangroves.

Article No. 41: For the purposes of this regulation, we consider the areas of emerged coral as protected areas and we create the IRONSHORE (ZONA DE PROTECCION DEL CORAL EMERGIDO): All mother structures where the emerged coral crops out of the sea with a large concentration or density and with an important landscaping value is

considered part of this zone. It is expressly forbidden to build any construction that is not aimed to protect this area or that is not used for sightseeing and studying the formation.

Article No. 42: Low-impact walks and platforms, preferably made of wood, will be allowed provided that they contribute to the rational use and conservation of the zone and that they provide access to the adjacent zones which will be therefore considered eco-tourist attractions.

Article No. 43: City Halls will present their proposals for the definition of mother structures within their jurisdiction in order to declare them natural monuments. Otherwise, CETS will assume this initiative.

CHAPTER XIII GENERAL PROVISIONS

Article No. 44: When this regulation comes into effect, all industrial facilities (such as seafood baling companies, shipyards, or any other possible source of pollution) that operate in the Department of Bay Islands will have a six-month period, only renewable once for the same term and provided that they have a justification, to subject themselves to an environmental audit before the Ministry of Natural Resources and Environment; the audit will verify that these facilities strictly fulfill the environmental control measures established in this regulation. Within this period, companies must submit to CETS their corresponding Certification of Resolution issued by the Ministry of Natural Resources and Environment. The non-fulfillment of the provisions arisen from the environmental audit or control measures will cause that the competent authority imposes the corresponding sanctions.

Article No. 45: CETS, with the technical support of PMAIB, will immediately start the necessary procedures for the elaboration and establishment of a plan for territorial organization on the islands, based on the Governing Scheme and the rules contained in this regulation. These plans for territorial organization must determine the following development zones: urban, industrial, tourist, for special protection, mangroves, emerged coral, micro-basins and sandbanks.

Article No. 46: CETS, with the technical support of PMAIB, will work jointly with the Drinking Water and Cleaning Up Regulator Organism (Ente Regulador de Agua Potable y Saneamiento) in the elaboration and approval of a National Technical Regulation for the Outflow of Sewage into Recipient Objects and Sewer System, which must be specifically adapted to the reality of the islands and must have its origin in the quality of water that is necessary for maintaining the ecology of the coral reef and for the recreational use of coastal water, by analyzing the feasibility of installing submarine transmitters as sewage treatment systems.

Furthermore, CETS, with the technical support of PMAIB, will coordinate the elaboration of a regulation concerning dredging activities, sea constructions, road

infrastructure works, sand extraction and large movements of soil as well as a study regarding the load capacity of the territory and visits to the coral reef, among others.

Article No. 47: Considering the special characteristics of the Department of Bay Islands, the provisions of the Law of Territorial Organization that establishes that this department is under a special regime and this regulation, the Ministry of Natural Resources and Environment will prepare and put into effect as soon as possible a Table for Environmental Categorization of Projects, which will be exclusively used for issuing environmental authorizations in the territory of the islands.

Article No. 48: In order to fulfill the regulation, all governmental institutions, specially the Ministry of Natural Resources and Environment, the Ministry of Governance and Justice, the Ministry of Tourism and the State Forestry Administration, must conduct the necessary activities for training and strengthening the City Hall Environmental Units of the Department of Bay Islands.

Article No. 49: These rules are mandatory from the date they are published in the Official Newspaper “La Gaceta”.

Issued in the Presidential House, Tegucigalpa, City Hall of the Central District, on the thirtieth of November of the year 2004.

MAKE IT PUBLIC

RICARDO MADURO
PRESIDENT OF THE REPUBLIC OF HONDURAS

THIERRY DE PIERREFEU
MINISTER OF TOURISM