



Hogan Lovells US LLP
600 Brickell Avenue
Suite 2700
Miami, FL 33131
T +1 305 459 6500
F +1 305 459 6550
www.hoganlovells.com

1 September 2022

Via Federal Express and Hand-Delivery

Honorable Xiomara Castro

Presidenta de la República de Honduras
Palacio Presidencial
Juan Pablo II Boulevard
José Cecilio del Valle Palace
Tegucigalpa, Honduras

Honorable Pedro Barquero

Ministro de Desarrollo Económico
Dirección General de Integración Económica y Política Comercial
Secretaría de Estado en los Despachos de Industria y Comercio
Boulevard José Cecilio del Valle
Edificio San José, antiguo edificio de Fenaduanah
Tegucigalpa, Honduras

Honorable Manuel Antonio Díaz Galeas

Procurador General de la República de Honduras
Residencial El Trapiche, calle principal
Tegucigalpa M.D.C., Honduras

Honorable Eduardo Enrique Reina

Ministro de Relaciones Exteriores
Centro Cívico Gubernamental
Casa Presidencial
Blvd. Kuwait, contiguo a la Corte Suprema de Justicia
Tegucigalpa, Honduras

**Re: Notice of Intent Concerning Investment in Honduras Pursuant to
Article 10.16.2 of the CAFTA-DR Free Trade Agreement and Article
VIII of the Honduras-United States of America Bilateral Investment
Treaty (the “Notice of Intent”)**

Dear Madame and Sirs:

Pursuant to Article 10.16.2 of the Central America-United States-Dominican Republic Free Trade Agreement between the Republic of Honduras (the “State” or “Honduras”) and the United States

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of America, signed by the State on August 5, 2004 and entered into force on January 1, 2009 (the “CAFTA-DR Treaty”), as well as Article VIII of the Honduras-United States of America Bilateral Investment Treaty between the State and the United States of America, signed by the State on July 1, 1995 and entered into force on July 11, 2001 (the “BIT,” and together with the CAFTA-DR Treaty, the “Treaties”), Juan Carlos Arguello and Ernesto Arguello, both United States nationals and foreign investors in the State (the “Arguellos” or the “Investors”), hereby provide the State notice of their intent to submit to arbitration a claim against the State for breach of its obligations under the Treaties.

I. Name and Address of the Disputing Investors

1. The Arguellos are United States nationals and foreign investors in the State. Their contact information is as follows:

Juan Carlos Arguello and Ernesto Arguello
c/o Richard C. Lorenzo
Maria Eugenia Ramirez
Juliana de Valdenebro
Maria Lucia Echandia
Hogan Lovells US LLP
600 Brickell Avenue
Suite 2700
Miami, Florida 33131
305.459.6500 – Main
305.459.6652 – Direct
richard.lorenzo@hoganlovells.com
maria.ramirez@hoganlovells.com
juliana.devaldenebro@hoganlovells.com
marialucia.echandia@hoganlovells.com

II. Legal Representative and Service of Documents

2. The Arguellos are represented in this matter by Hogan Lovells US LLP. Please direct all correspondence and communications related to this matter to Richard C. Lorenzo, Maria Eugenia Ramirez, Juliana de Valdenebro, and Maria Lucia Echandia, at the following address:

Hogan Lovells US LLP
600 Brickell Avenue
Suite 2700
Miami, Florida 33131
305.459.6500 – Main
305.459.6652 – Direct
richard.lorenzo@hoganlovells.com

maria.ramirez@hoganlovells.com
juliana.devaldenebro@hoganlovells.com
marialucia.echandia@hoganlovells.com

III. Service

3. This Notice of Intent is submitted to:

Honorable Xiomara Castro

Presidenta de la República de Honduras
Palacio Presidencial
Juan Pablo II Boulevard
José Cecilio del Valle Palace
Tegucigalpa, Honduras

Honorable Pedro Barquero

Ministro de Desarrollo Económico
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IV. Investment in the State

4. The Arguellos' investment in the State consists of the following: (i) the purchase of their interest in Intermac Honduras, S. de R.L., a company duly incorporated in Honduras ("Inter-Mac"); (ii) the establishment of a revolving regional fund (the "Fund") to facilitate the construction of approximately 10,000 low-income housing units in various CAFTA-DR countries including, but not limited to, Honduras, Belize and Panama; (iii) their acquisition of land (the "Land") to be used as the site for the development and construction of a social housing project

located in the Municipality of Choloma, Cortes, called Residencial Los Castaños de Choloma (the “Housing Project” or “Project”); (iv) pre-development expenses and the creation of the Honduran Program Supplement for the development and construction of the pilot Housing Project in Honduras; (v) the development and construction of Phase I of the Housing Project, consisting of roughly 1,500 residential homes, and the initial/shared infrastructure for the development of Phase II, consisting of 2,000 additional homes within the Housing Project (designed by HOLA Realty, S.A. de C.V., an entity also owned by the Investors); (vi) the rights obtained under the 2010 and 2015 Memorandums of Understanding entered into between Inter-Mac and the State relating to, among other rights, the development, construction, and sale of homes within the Housing Project (individually each a “Memorandum of Understanding,” collectively the “Memorandums of Understanding”); and (vii) the acquisition of land, the construction and the development of a similar housing project in another approved Central American nation (collectively, the “Investment”).

5. Inter-Mac’s shareholders are Inter-Mac International, Inc., a Cayman Islands entity, and Inter-Mac Holdings, Inc., also a Cayman Islands entity. Each of the Arguellos individually maintains a 50% ownership interest in both Cayman Islands entities, are the ultimate beneficiaries of both entities and, through these companies, hold 100% of the beneficial interest in Inter-Mac.

V. Treaty Provisions That Have Been Breached

6. The State has breached its obligations under Chapter Ten of the CAFTA-DR Treaty, including:

- a. Article 10.3: National Treatment;
- b. Article 10.4: Most-Favored-Nation Treatment;
- c. Article 10.5: Minimum Standard of Treatment; and
- d. Article 10.7: Expropriation and Compensation.

7. The State has also breached its obligations under the BIT Treaty, including the following:

- a. Article II: National Treatment; Most-Favored-Nation Treatment; Fair and Equitable Treatment; and Full Protection and Security; and
- b. Article III: Expropriation and Compensation.

VI. Issues and Factual Basis for the Claim

A. Jurisdiction

8. An arbitration tribunal constituted under the CAFTA-DR Treaty as well as under the BIT has jurisdiction over this dispute. The Arguellos, both United States nationals, are investors of a Party under Article 10.28 of the CAFTA-DR Treaty, which provides that an investor

of a Party is a national or an enterprise of a Party “that attempts to make, is making, or has made an investment in the territory of another Party.” Likewise, the Arguellos are also investors under the BIT, which provides that an investor is a national or company of a Party that makes an investment in the territory of another Party.

9. The Investors’ Investment is a protected investment pursuant to Article 10.28 of the CAFTA-DR Treaty as well as Article I of the BIT. Article 10.28 of the CAFTA-DR Treaty provides that “shares” in an enterprise, “turnkey” or “construction” contracts, “licenses,” “authorizations,” “permits,” “movable or immovable property,” and other related property rights, such as “leases” or “mortgages” shall be considered investments under the CAFTA-DR Treaty. Article I(e) of the BIT provides that a “covered investment” constitutes “an investment of a national or a company of a Party in the territory of the other Party.” And Article I(d) of the BIT provides that an “investment of a national or company” includes “shares” and “equity participation” in companies, “contractual rights” under “turnkey” or “construction or management contracts,” as well as “real property” and the rights accompanying real property such as “leases” or “mortgages.”

10. The State has consented to submit this dispute to arbitration under Article 10.17.1 of the CAFTA-DR Treaty, as well as under Article IX(4) of the BIT.

B. Factual Background

11. The Investors are award-winning sponsors who sought to break the cycle of poverty preventing millions of low-income Latin Americans from owning their own homes. In furtherance of this initiative, the Investors endeavored to build social housing developments across several Latin American CAFTA-DR countries including, but not limited to, Honduras, Belize and Panama. The Investors’ Honduras Housing Project received several awards and accolades, including both the OPIC/DFC Impact Award and the Golden Nugget Award. Moreover, the Project was also presented by the United States Government’s Development Finance Institution at the United Nations expert group meeting on affordable housing and homelessness.

12. Since 2007, the Investors have, personally and through loans obtained from various United States financial institutions (such as, the Overseas Private Investment Corporation (“OPIC”), which is now known as the United States International Development Finance Corporation (“DFC”)), made numerous and significant investments in the State related to the development and construction of a social Housing Project in the municipality of Choloma, Cortes. The purpose of the Project was to build modern, clean, and affordable housing that would provide low-income Hondurans with the opportunity to forge a path to sustainable homeownership. To achieve this goal, the Investors invested their own monies and, additionally, borrowed significant funds from OPIC, an entity that provides funding to United States investors seeking to invest in countries where commercial financial institutions often are reluctant or unable to lend.

13. The multi-million dollar Investment in the State was made by the Investors with the understanding that international investment treaties between their country, the United States, and Honduras, that prohibit discrimination, wrongful and uncompensated expropriation, and that guarantee fair and equitable treatment as well as full protection and security to foreigner investors, would be respected.

14. Further, the Investors made the Investment under the reasonable expectation that the terms of the Memorandums of Understanding, among other representations, assurances, and commitments of the State, calling for the State's provision of financial assistance mechanisms necessary to enable low-income Hondurans to afford to purchase the Investors' homes, would be honored by the State.

15. Along with these reasonable expectations, as the State is aware, the Investors made the Investment in the State because, under the terms of the Memorandums of Understanding, there was an expectation that the Investors would be able to obtain an economic return from the development, construction, and sale of homes within the Housing Project, as well as an opportunity to jumpstart the Fund, while improving the lives and living conditions of an important segment of the Honduran populous.

16. But, as further explained below, the Investors' reasonable expectations and explicit rights were repeatedly ignored and violated by the State such that, over the course of more than a decade, the State made every effort to discriminate against the Investors, enable the expropriation of their Investment, and deny them fair and equitable treatment as well as full protection and security.

17. More specifically, in 2008, the State granted authorization to the Investors, through Inter-Mac, to carry out the construction and development of the aforementioned affordable Housing Project in the Municipality of Choloma, Cortes.

18. Consequently, the Investors invested millions of dollars to fund their acquisition of the Land on which the Housing Project would be developed, along with the construction of roughly 1,500 homes in Phase I and an additional 2,000 homes in Phase II.

19. In 2009, the Investors began executing temporary leases, with purchase option contracts (the "lease-purchase contracts") with residents of the Housing Project, through which the residents would initially lease the Project homes from Inter-Mac for a minimum period of at least six months. Then, if over the course of the initial six-month rental period, the residents fulfilled their obligation to make their monthly payments on time, the residents would become eligible to execute an option to purchase their leased home from Inter-Mac.

20. In 2010, the State signed a Memorandum of Understanding with Inter-Mac and the United States Ambassador to Honduras, Hon. Hugo Llorens, in which the State agreed to provide subsidies/bonds ("subsidies") to residents of the Housing Project who sought to purchase an Inter-

Mac home. These State-issued subsidies were intended to operate as a down payment on the residents' purchase of the Inter-Mac homes, which would reduce the price and thereby enable many low-income Hondurans to afford to buy them. In addition to the subsidies, the State also agreed to supply funding for the issuance of long-term, lempira-denominated mortgages to residents of the Housing Project so as to provide a financing mechanism through which the residents, who had entered into lease-purchase contracts with Inter-Mac, could execute their option to purchase an Inter-Mac home. As the State was well aware, these financial assistance mechanisms were critical to the success of the Housing Project because, without the State's issuance of the agreed-upon subsidies and long-term mortgages, low-income Hondurans would be unable to afford to purchase the Inter-Mac homes.

21. In reliance on the State's commitment to provide these crucial financial mechanisms, the Investors executed hundreds of lease-purchase contracts with a substantial number of Honduran families under the expectation that the State would honor its obligations to issue the agreed-upon subsidies and long-term mortgages to residents who sought to execute their option to purchase an Inter-Mac home.

22. But, by 2012, the State had failed to provide any of the agreed-upon subsidies or long-term mortgages to the residents of the Housing Project.

23. Concerned with the State's failure to honor its contractual commitments, in 2015, United States Ambassador to Honduras, Hon. James Nealon, initiated communications with the State on behalf of Inter-Mac to request that the State honor its obligations to issue the agreed-upon subsidies and long-term mortgages to residents of the Housing Project who sought to purchase an Inter-Mac home. In a reply letter penned by the Secretary of State for the Republic of Honduras at the time, Hon. Ebal Díaz, the State provided assurances that it would indeed honor its 2010 contractual commitments, and further explained that the State would expedite the process of issuing the agreed-upon subsidies and long-term lempira-denominated mortgages.

24. Reinforcing its prior commitments, in 2015, the State also signed another Memorandum of Understanding with Inter-Mac in which the State once again promised to provide the subsidies and long-term mortgages to residents of the Housing Project who sought to exercise their option to purchase an Inter-Mac home.

25. By 2017, however, none of the Housing Project's residents were able to obtain long-term mortgages from the State, and only a few of the residents had received the promised subsidies. As a result, there were over 1,000 residents who wished to obtain the State-issued subsidies in order to purchase an Inter-Mac home, but were unable to do so because of the State's continued failure to honor its obligations and commitments.

26. In that same year, the State, through the National Commission of Housing and Human Settlements, certified Inter-Mac's planned construction of an additional 2,000 homes within the Housing Project (Phase II) as qualifying for both the State-issued subsidy and mortgage

financing programs. This time, however, the State promised to provide the Investors with an up-front subsidy in the amount of L.180 million (equivalent to approximately US \$7.3 million) that was intended to operate as seed capital to help fund the Investors' development of the additional 2,000 homes that would comprise Phase II of the Project.

27. By 2018, however, the State had not disbursed the up-front subsidy to the Investors for the construction of Phase II. And, as a direct result of the State's nearly decade-long failure to honor its promises, including regarding the issuance of subsidies and long-term mortgages, the Investors' creditor called-back the funds it had placed in escrow for the Investors' development of Phase II. As such, the Investors were unable to proceed with the construction of the Phase II homes.

28. To make matters worse, the State then informed the Investors that it would *not* honor its obligation to provide long-term mortgages to any of the residents who wished to execute their purchase option on homes in Phase I under the premise that the Phase I homes would now be considered "used homes," and thus ineligible for long-term mortgage financing from the State. The State's reasoning for why the Phase I homes were considered "used homes" was premised on the fact that the residents had been living in the homes under the lease-purchase contracts with Inter-Mac. This reasoning, however, was arbitrary, discriminatory, and contradictive of the purpose of the Lease with Option to Purchase Program under which the Investors' Housing Project was originally approved by the State given that the program explicitly provided that the residents' contracts with Inter-Mac would operate as temporary lease contracts that would include a purchase option, which the residents would be able to execute with long-term, lempira-denominated mortgages funded by the State.

29. Consistent with its history of broken promises, in 2019, the State notified the Investors that it lacked the funds necessary to honor its obligation to provide the agreed-upon subsidies to residents who wished to purchase an Inter-Mac home. By this time, the State had provided less than 50% of the subsidies that it had previously agreed to fund. Notably, upon information and belief, the Investors' Project was the only approved housing project in Honduras owned by foreign investors (rather than Honduran nationals), that did not receive the full amount of the agreed-upon subsidies, thus reflecting the States' arbitrary and inequitable discrimination against the Investors.

30. After more than a decade of unfulfilled commitments, in 2021, the State again agreed to allow for the issuance of long-term, lempira-denominated mortgages for residents who sought to exercise their option to purchase an Inter-Mac home constructed in Phase I of the Project.

31. The implementation of the State's long-term mortgage financing program, however, failed before it could even begin when the Director of the Department of Community Development and the Mayor of the Municipality of Choloma signed the accreditation of an extortionist organization known as Patronato Pro Mejoramiento de Los Castaños de Choloma (the

“Patronato”), empowering it with the authority to govern the Project’s residents and the Investors’ Investment.

32. For example, in 2021, once the State again agreed to provide long-term mortgages for residents who sought to exercise their purchase option on Phase I homes, Inter-Mac informed the residents that such financing was now available, and that those residents who wished to obtain financing should visit Inter-Mac’s offices where representatives would assist them in preparing the necessary documentation to submit their mortgage applications. But the Patronato, in an effort to prevent the residents from purchasing the Inter-Mac homes, circulated community-wide correspondence to the residents, riddled with lies, wherein they instructed them not to approach Inter-Mac’s offices and to disregard Inter-Mac’s statements because Inter-Mac was intentionally deceiving the residents into making them believe that long-term mortgages with favorable terms were available.

33. In furtherance of their scheme, the Patronato implemented a community-wide “no payment” policy through which they encouraged the residents to stop making their monthly lease payments to Inter-Mac. Via this scheme, the Patronato threatened the residents by informing them that if they did not comply with the Patronato’s “no payment” policy, the Patronato would burn their house down. In this regard, the Patronato (accredited, authorized and enabled by the State) sought to undermine the Investors’ financial stability by sequestering their monthly income from the residents in order to drive the Investors away, and thereby compel the Investors to cede control of the Project to the Patronato, so that the Patronato could begin charging residents for community services (such as garbage collection), which the Investors had, for over 10 years, provided to the residents for free.

34. Ultimately, through the use of threats and intimidation against the residents, the Patronato was successful in implementing its “no payment” policy. This not only caused the Investors to incur substantial financial losses as a result of not receiving the monthly lease payments from many residents, but it also caused those residents who stopped making their monthly payments to breach their lease-purchase contracts with Inter-Mac, which, in turn, prevented the residents from exercising their option to purchase their Inter-Mac homes.

35. The situation continued to escalate and became even more dangerous when the Patronato, in furtherance of its extortionist scheme, began committing acts of vandalism designed to force the Investors to relinquish control of the Housing Project. By way of example, after the State issued its accreditation to the Patronato, the Investors received reports from many residents that the Patronato had deliberately set fires to the Project’s garbage receptacles that were located within the perimeter of the residents’ homes. After receiving notice of the Patronato’s destruction, which also caused substantial damage to the Project’s surrounding walls and gates, the Investors deployed resources to rebuild the damaged areas. However, the Investors’ efforts to restore the damaged property were futile as the Patronato repeatedly set fires to the repaired areas. It then became evident that if the Investors did not cede control of the Project to the Patronato, the arson as well as other attacks would continue, putting the lives of the residents at risk.

36. The Patronato's illegal and forceful State-sponsored actions to take control over the Investment have not been limited to the above. Indeed, the Patronato also leveraged their authority to form a fictitious municipal water board, through which the Patronato seeks to usurp control over the Project's water supply systems, including the water tanks and wells owned by the Investors. Upon doing so, the Patronato intends to force the residents to pay a monthly fee for potable drinking water, yet another service that the Investors had, for over 10 years, provided to the residents free of charge.

37. As if that were not enough, the Patronato (at all times enabled by the State) is continuously attempting to commandeer the security services that the Investors are providing to the community by threatening Inter-Mac's security personnel and replacing them with an outside security company put in place by the Patronato, in essence to prevent the Investors from entering into their own Housing Project. In similar fashion, the Patronato seeks to impose mandatory charges on the residents for private security, which has also been provided to the residents for over 10 years free of charge.

38. Notably, the Patronato's efforts to seize control over the Housing Project reflected more than a mere desire to profit from the imposition of monthly charges billed to the residents. Indeed, by forcing these low-income residents to pay for services, the Patronato sought to compromise the residents' ability to make their monthly lease payments to Inter-Mac. And when the residents defaulted on their monthly lease payments, they lost the ability to execute their option to purchase their Inter-Mac homes, destroying the economic value of the Investors' Investment since the Investors became unable to sell their homes to the residents.

39. Over time, the Investors were denied entry onto certain portions of their own property by the Patronato's security personnel, causing the Investors to contact the local Honduran police authorities to enlist their help in regaining access to their premises. The Investors' efforts were unavailing as the local police informed the Investors that they were unable to provide assistance because the local police had not received orders from the State's governmental authorities to protect the Project. Further, due to the Patronato's and the State's actions, the Investors have enjoyed limited access to the properties to conduct necessary maintenance and upkeep activities.

40. Additionally, the Investors have also been unable to exercise their rights to evict defaulted tenants because the Honduran judicial system has failed to process their requests for evictions, all in detriment of the Investors' rights.

41. In light of the above, in February 2022, the Investors contacted Héctor Manuel Zelaya-Castro, the Private Secretary to current Honduran President, Hon. Xiomara Castro (who also happens to be the President's son), in an effort to attempt to find a solution that would protect their Investment and the interests of the families residing in the Housing Project. In their communications with Secretary Zelaya-Castro, the Investors explained the State's decade-long failure to honor its obligations and how those failures precipitated a destructive campaign launched

against the Investors and their Investment. The Investors proposed various measures available to the State that would enable it to protect the Investment, neutralize the harm caused by the Patronato, and fulfill the collective goal of forging a path to sustainable homeownership for low-income Honduran families.

42. Despite the clear and urgent need for the State's involvement, however, the Investors' requests for assistance and proposals for solutions went unanswered.

43. Consequently, in March/April 2022, the Investors coordinated a meeting with Congresswoman Xiomara Zelaya-Castro, the daughter of the current Honduran President, to discuss the situation of the Housing Project and to, once again, request that the State intervene and provide protection and security to the Investors and their Investment.

44. In response to the Investors' request for the State's assistance, Congresswoman Zelaya-Castro assured the Investors that the State would take action to rectify any wrongdoing. Despite these assurances, however, the State has yet to help the Investors reclaim control over their Investment. And when the Investors made repeated follow-up requests for the State to take action, their requests and their pleas for help went unanswered.

45. As a result of the State's failure to comply with its obligations under the Treaties, the Investors also lost access to the Fund that enabled the construction of a US \$200 million project in another approved Latin American country, on land also acquired by the Investors, which was being developed concurrently with the Housing Project.

46. In sum, the Investors have invested millions of dollars in Honduras to finance and build thousands of homes to enable low-income Hondurans to access affordable and dignified homeownership opportunities, which they would otherwise be unable to obtain. From the inception of the Investment, the State has taken multiple unlawful and discriminatory actions that have interfered with, and have ultimately destroyed, the Investment, in violation of the Treaties. Accordingly, the Arguellos are compelled to seek redress through the enforcement of their rights under the Treaties.

C. Basis for the Claim

47. **National Treatment:** The State violated Article 10.3 of the CAFTA-DR Treaty as well as Article II of the BIT by treating the Investors less favorably than it treats its own investors. Specifically, the State violated such obligation by providing the full amount of agreed-upon subsidies to other Honduran-owned housing projects, but neglecting to do the same for the Investors' Housing Project.

48. **Most Favored Nation Treatment:** The State violated Article 10.4 of the CAFTA-DR Treaty as well as Article II of the BIT by treating the Investors less favorably than it treats investors of any other Party or non-Party to the Treaties.

49. **Fair and Equitable Treatment:** The State violated Article 10.5 of the CAFTA-DR Treaty and Article II of the BIT, which requires that the State, along with its entities and representatives, treat foreign investors fairly and equitably. The State violated such obligation through a number of arbitrary acts from the inception of the Investment which include, among other arbitrary acts: (i) refusing to issue the full amount of subsidies as and when agreed; and (ii) refusing to provide the long-term, lempira-denominated mortgages to the residents as and when agreed.

50. **Full Protection and Security:** The State violated Article 10.5 of the CAFTA-DR Treaty as well as Article II of the BIT, which requires that the State, along with its entities and representatives, provide the level of protection and security required under customary international law. The State violated such obligation through its failure to provide the Investors with adequate protection from the Patronato's use of intimidation, threats, and acts of violence against the Investment, the Investors, Inter-Mac, Inter-Mac's employees, and the residents of the Housing Project.

51. **Unfair Expropriation:** The State violated Article 10.7 of the CAFTA-DR Treaty as well as Article III of the BIT by expropriating the Investors' Investment. Specifically, the State illegally expropriated the Investment by: (i) repeatedly refusing to provide the full amount of subsidies to residents of the Investors' Project; (ii) repeatedly refusing to provide the long-term, lempira-denominated mortgages to residents of the Investors' Project; and (iii) enabling and allowing the Patronato to use intimidation, threats, and acts of violence against the Investors and the Investment so they could take over the Housing Project and deny the Investors entry to their own Investment.

VII. Relief Sought and Damages Claimed

52. Because of the State's evident and egregious violations of its obligations under the CAFTA-DR Treaty and the BIT, the Investors have suffered and continue to suffer significant financial, moral, and reputational damage, for which the State must be held accountable. The Investors will seek full compensation for their losses and other injuries suffered as a result of the State's breaches.

53. The Arguellos' damages are estimated in excess of US \$100 million, exclusive of interest, costs, and such other relief as is deemed appropriate. This amount includes, but is not limited to:

- a. Compensatory damages for the State's expropriation of the Investment, as well as the State's discriminatory and arbitrary actions;
- b. Lost profits, including those the Investors would have earned from the sale of homes within Phases I and II of the Project, had the State honored

its obligations and commitments acquired with the Investors and had provided full protection and security;

- c. Lost business opportunities, including the opportunity to develop Phase II of the Project in Honduras and similar housing projects in other approved countries, which the Investors would have been able to capitalize on had the State complied with its obligations;
- d. Incidental damages;
- e. Reputational damages; and
- f. Moral damages resulting from the State's wrongful acts.

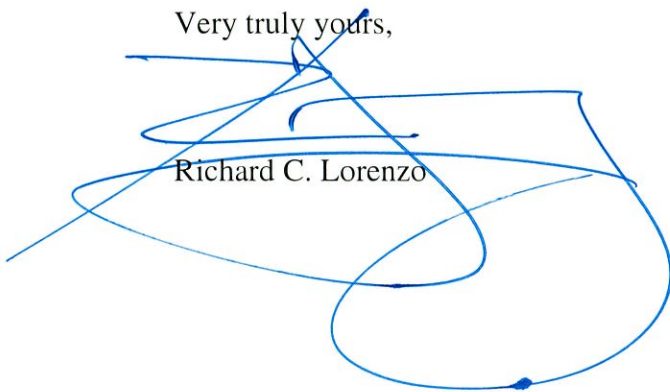
VIII. Conclusion

54. Notwithstanding the Investors' willingness to attempt to resolve this controversy, the Investors reserve all rights as to any dispute, including the right to pursue international arbitration as provided by the CAFTA-DR Treaty and the BIT. The Investors also reserve any other rights under the law, the Memorandums of Understanding, or any other applicable agreements or instruments, including the right to seek compensation for any remaining issues that are not settled directly or through an international arbitration proceeding. Finally, the Investors reserve the right to amend, modify, and/or expand upon this Notice of Intent.

55. Nothing herein is intended to prejudice or waive any rights or remedies that the Investors, Inter-Mac, or any other parties may have under the law, the Memorandums of Understanding, or any other applicable agreements or instruments, or of any breach the State may have committed.

Very truly yours,

Richard C. Lorenzo



Notice of Intent to the Republic of
Honduras Pursuant to the CAFTA-DR Free
Trade Agreement and the Honduras-United
States of America BIT

cc: **Mr. Juan Carlos Arguello and Mr. Ernesto Arguello**

Alicia A. Frechette, Executive Director, Office of the Legal Adviser

U.S. Department of State
Harry S. Truman Building
2201 C Street, NW
Room 7325
Washington, DC 20520
[REDACTED]

**Ambassador Laura Farnsworth Dogu, U.S. Ambassador of the United States of America to the
Republic of Honduras**

Embajada de los Estados Unidos de América - Tegucigalpa, Honduras
Avenida La Paz, Apartado Postal No. 3453
Tegucigalpa, Honduras
[REDACTED]

**Ambassador Luis Fernando Suazo Barahona, Ambassador of the Republic of Honduras to the
United States of America**

Embassy of Honduras
1220 19th Street, NW, Suite #320
Washington, DC 20036
[REDACTED]