

**TRANSLATION OF THE
P.H. CASA BONITA
INTERNAL REGULATIONS (REGLAMENTO DE USO)**

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P. H. CASA BONITA

TRANSLATION OF THE INTERNAL REGULATIONS (Reglamento de Uso)

As adopted by the Asamblea de Propietarios of the PH on August 21, 2021

These Regulations have been adopted in order to establish rules that emphasize minimum coexistence standards set forth according to the characteristics of the PH and to ensure the welfare and safety of all Residents, as well as the proper use of the PH's facilities and the Building's maintenance. For this reason, the Junta Directiva and the Administrator are authorized and are responsible for strict compliance with these ordinances. Likewise, it is the responsibility of the Owners, Residents or not, and their Tenants, to remain in full compliance with these Regulations, and to prevent that others break them to the detriment of the majority.

These Regulations complement the PH's By-Laws (Reglamento de Copropiedad) and are binding on all Owners in accordance with the PH Law.

Any expression defined in the PH Law and its Regulations, as amended from time to time, or in the PH's Reglamento de Copropiedad, will have the same meaning when used in these Regulations. In addition, for the purposes of these Regulations, the following expressions will have the following meaning:

PH Law: Ley 31 of June 18, 2010, which regulates the Horizontal Property Regime in Panama, as modified by Ley 180 of November 16, 2020 and as it may be amended or replaced after the adoption of this Reglamento de Uso, together with the Executive decrees pursuant to which regulations to the PH Law are adopted.

Resident: Person who occupies an apartment, being the Owner or a Tenant, or a member of the family of a Resident. It also includes natural persons who have the right to occupy an apartment registered in the name of a legal person.

Tenant: a person who leases an apartment in the PH.

1. SCOPE AND NOTIFICATIONS

These Regulations apply to Owners, Tenants, Residents, visitors, employees of Residents, staff of the PH and persons entering the building to make repairs, delivery of goods and any other activity.

Owners and other Residents are required by law to comply with and enforce these Regulations, and ensure that family members, guests, employees, and Tenants comply with them.

These Regulations shall be applied by the Administrator and/or the Junta Directiva. Any complaint that the procedures and decisions made pursuant to these Regulations do not conform to the PH Law, the By-Laws of the PH (Reglamento de Copropiedad) or to these Regulations, may be submitted to the Administration, and to the Junta Directiva.

All statements of account, notices or other documents to be delivered to an Owner or Resident shall be delivered in writing to his apartment or through electronic communication at the electronic address provided by the Owner and registered in the data base of the Administration and will be valid as such.

It is the responsibility of each Owner to ensure the accuracy of his coordinates with the Administration and as such the Administration shall be notified in writing or through email of any change of electronic address or of any other instructions for delivery, including deliveries to an agent or Administrator responsible for the apartment.

An Owner or Resident who does not provide his valid email address to the Administration, or does not ensure that the communications of the Administration can be delivered to that address cannot complain of not having been notified.

2. ENJOYMENT AND USE OF COMMON AREAS

2.1 General Rules

Any damage to the common areas will be the responsibility of the Owner of the apartment in which resides or visits the person responsible for the damage. Since common areas are for everyday use, repair of any damage must be made as soon as possible within the next forty-eight (48) hours. After this period the Administrator will arrange for the repair at the expense of the Owner responsible. However, if the repair must be done on an urgent basis, it will be done as soon as possible, at the Owner's expense.

Owners and Residents of apartments who are not up to date in their financial obligations with the PH may not use the common areas, including the social area, the pool and the gymnasium.

2.2 Lobby and Main Entrance

- a. The lobby area is for transit and as such, should not be used for meetings.
- b. The lobby is for the exclusive use of Residents and visitors, who must be in proper attire.

- c. The personnel working for Residents must enter and exit the building through the designated access.
- d. Smoking, eating and drinking in the Lobby is prohibited.
- e. It is prohibited to skate, use bicycles, tricycles or play in the Lobby.
- f. Residents must authorize the entry of visitors into the building in person or through the intercom, in coordination with the concierge.
- g. All visitors and new Residents must be registered with the concierge and provide a valid identification.
- h. Visitors who have not been previously registered with the concierge are not allowed to access the Building after 11 pm, with the exception of family members of a Resident.
- i. It is prohibited for movers to use the main lobby. Should the size or characteristic of an article require the use of the main lobby entrance, it must be authorized by the Administration.

2.3 Entrance Alley

- a. Vehicles cannot be parked in the entrance alley of the building.
- b. Should a driver be waiting for a passenger, the wait shall not exceed 15 minutes, and the driver must remain inside the vehicle and be prepared to move the vehicle whenever necessary. Should the wait last longer, the vehicle must be parked in the garage or the visitors parking.

2.4 Hallways and Stairs.

- a. Residents should familiarize themselves with the alarm system, safety exits and the use of the fire extinguishers which are installed in the hallways.
- b. In the case of fire or earthquake, elevators are not to be used.
- c. A fine of \$200.00 shall apply to the Owner of the apartment in which resides or visits a person (child or adult) who improperly activates fire alarms or uses the hoses or extinguishers, in addition to the cost of resetting the system.
- d. The corridors and stairway shall be kept free of objects that may hinder mobility.
- e. It is prohibited to keep any of the access doors (including those in the parking, lobby and stairways) to the building open with any type of object.

2.5 Pool and Surrounding Patio

The building has a pool for the enjoyment of Residents. Residents are responsible for the proper use of the pool, both theirs and their guests. The sun loungers in the patio should be shared equitably for the benefit of all.

It is prohibited to throw cigarette butts or other objects or place them in a position where they may fall and affect the lower floors or the area around the building.

The following rules apply for the use of the pool:

- a. Proper bathing suit shall be used.
- b. No smoking, drinking or eating in the pool or on the side of the pool.
- c. Pets are prohibited in the pool and surrounding area.
- d. Children under 12 are prohibited in the pool without the supervision of an adult.
- e. Use moderate language and behaviour.
- f. Employees cannot use the pool.
- g. Glass objects are prohibited in the pool and surrounding area.
- h. Use of alcoholic beverages in the surrounding area should be moderate.
- i. Upon leaving the patio surrounding the pool, users must be completely dry and with proper attire.
- j. All persons using the pool and other amenities of the building do so at their own risk.
- k. Running, pushing, wrestling, playing ball games, throwing other people into the pool, splashing water and causing undue disturbance is not allowed in the pool area.
- l. It is prohibited to ride bicycles, tricycles, or skateboards around the pool area.
- m. Rubber boats and disproportionately sized inflatable material are not allowed in the pool.
- n. Soap powders and similar products are not allowed in the pool.
- o. It is not permitted to listen to loud music or television in the patio surrounding the pool.
- p. It is forbidden to stand on tables and chairs and introduce furniture into the pool.
- q. When finished using the area each Resident is responsible for leaving the area and the furniture clean, tidy and as it was originally.

- r. The use of the pool by minors of less than 14 years old is from 6:00a.m until 6:00p.m. unless they are accompanied by an adult.
- s. The hours of use of the pool are from 6:00 a.m. to 10:00 p.m.
- t. The pool area is for the exclusive use of Residents. The Residents of each apartment are entitled to bring to the pool area up to 5 guests including adults and children. A larger number of guests requires a reservation through the Administration.
- u. All trash must be placed in containers installed in the area.
- v. It is not permitted to use small objects or toys in the pool, as they may obstruct water flow.
- w. Reservations for Saturdays, Sundays and holidays are not accepted for the pool.
- x. It is mandatory to shower before entering the pool. People with skin conditions may not use the pool.
- y. Use of the pool is at the user's own risk. The PH and the Administration will not be responsible for any damages or incidents that may occur or for lost objects.
- z. The use of ordinary diapers is forbidden in the pool. Infants must wear special waterproof diapers.

2.6 Gymnasium

- a. The gymnasium is exclusively for Residents and their guests. Only two guests are allowed per apartment at the same time.
- b. Children under 14 may not use the gymnasium without being accompanied by an adult.
- c. Rubber soled shoes are required at all times.
- d. It is not permitted to use the gymnasium in a bathing suit.
- e. It is prohibited to enter the gymnasium soaked, bare feet or under the influence of alcohol.
- f. Users must wear a shirt at all times.
- g. Users must bring their own towel to use the equipment at the gymnasium and the equipment must be left clean.
- h. No food or alcoholic beverages allowed inside the gymnasium.
- i. Weights and equipment are not to be dropped or thrown.

- j. No smoking inside the gymnasium.
- k. Headphones must be used when listening to music or TV in the gymnasium.
- l. The use of the gymnasium is exclusively for training and aerobics, and it is not permitted to realize other activities.
- m. Machines cannot be moved.
- n. Once finished, the user must return the weights to their place. Weights and other equipment may not be removed from the gymnasium.
- o. Users are responsible for turning off lights, air conditioning and other equipment upon departing.
- p. Any damage or untidiness must be reported to the Administration.
- q. Use of the gymnasium equipment is limited to two hours unless no other Resident uses it.
- r. The gymnasium is open from 5:00 am to 10:00 pm.

2.7 Reservations for Social Area.

Reservations must be made in writing, clearly indicating the use of the reservation. Once the application is approved, the applicant must pay a security deposit and pay the fee that applies within 24 hours PRIOR to the confirmed date. Once payment of the security deposit and fee is made, the reservation is confirmed subject to the following conditions:

- a. Reservations will be handled on first come first served basis.
- b. The Social Area must be returned in its original state. The security deposit will not be refunded in case of any damage to the area.
- c. The behaviour and language of the users of the Social Area should always be respectful to the privacy and tranquillity of the Residents. Excessive noise shall not be permitted.
- d. The Owner of an apartment in which resides or visits the person causing a damage is responsible for the repair or replacement of any damaged equipment, furniture or infrastructure of the common areas.
- e. Pets are prohibited in the Social Area.
- f. If an audio system is used, it should be placed inside the Events Room and maintain a moderate volume. The administration must be notified in advance in case of live music.

- g. The schedule to be followed for use of the Social Area is as follows: Monday to Saturday from 10:00 to midnight, within a period of eight (8) hours per reservation. Reservations for Saturdays, Sundays and holidays are not accepted for the pool. Extended hours will require a special permit from the Administration and will trigger an additional charge per hour as per the following chart:

RESERVATIONS COSTS:

Events Room	\$100; \$12.50 per additional hour
Pool Area	\$ 50; \$5.00 per additional hour
Both areas	\$150; \$17.50 per additional hour
Game Room	\$100; \$12.50 per additional hour.

- h. Each application must be accompanied by a deposit of \$100.00, which will be refunded if there is no damage. If there is any damage, the deposit will be retained to pay for repairs and if insufficient, the excess will be charged to the Owner's account.
- i. At no time can a reservation of the Social Area for the Saturdays, Sundays and holidays prevent Residents from using the pool and the jacuzzis.

2.8 Barbecues

- a. The Owner who uses the barbecue area in the social area is responsible for their cleanup. Bookings must be made with the Administration. The booking cost is \$ 25.
- b. Barbecues are prohibited in areas where smoke might affect Residents of the apartments nearby
- c. Charcoal barbecues may not be used on balconies of apartments.
- d. Portable barbecues are not allowed in the social area.

2.9 Jacuzzi and Saunas

- a. The rules for the pool are applicable to the jacuzzi and the saunas.
- b. It is forbidden to play with the controls of the jacuzzi and press them unnecessarily.
- c. Minors under 16 years old are not allowed without an adult in the Jacuzzi and the saunas.

3. CARTS.

- a. The carts are for the exclusive use of Residents and cannot be removed from the PH.
- b. Carts are solely to carry groceries and packages.

- c. Carts are not to be used for loading construction materials or other items that can deteriorate them.
- d. Carts must be returned to their assigned place as soon as possible, and not be left in apartments, elevators, or lobbies.

4. PARKING AND STORAGE

4.1 Owner's Parking

- a. Owners have the exclusive use of the designated parking spaces in the garage, which are assigned in the purchase agreement or by the Administrator.
- b. Vehicles parked in the wrong place for more than 48 hours may be towed from the building, at the Owner's expense.
- c. Parking lots shall not be used to store objects such as construction or remodelling products, building materials, waste, junk, batteries, tires, etc. In case of absolute necessity, such objects must be removed within a maximum period of two days.
- d. The garage may not be used as playing area.
- e. The PH will not be held responsible for losses inside vehicles, damages or accidents.
- f. Commercial transport trucks, caravans and trailers with boats or cargo that exceeds the allotted space cannot be parked in the garage.
- g. Flammable, explosive or toxic materials cannot be left in the garage or in the cars while they are parked in the garage.
- h. It is forbidden to perform any mechanical work, or body work in the garage. It is also prohibited to carry out any work related to renovations such as painting, cutting materials, woodwork or any similar activities, other than the parking of a vehicle.

4.2 Storage Rooms

Some Owners have been assigned storage rooms in the garage or elsewhere in the Building. These storage rooms are only to be used to store items and goods for the apartment. They are not to be used as a shelter or place of business.

Electricity consuming equipment are not to be connected in the storage rooms. If necessary, permission should be sought from the Administration, with an estimate of the monthly expense to be incurred, which will be charged to the Owner's account for payment.

It is prohibited to store flammable, explosive, toxic items, drugs or illegally obtained goods in the storage rooms.

5. ELEVATORS

The following rules apply to the elevators:

- a. No smoking in the elevators.
- b. It is prohibited to stop the elevators unless necessary.
- c. It is forbidden to play or jump in the elevators as unusual movements may cause the mechanism to stall.
- d. Access to elevators without a shirt, in a swimsuit, in bare feet or while wet is prohibited.
- e. In case of a fire, do not use elevators.
- f. Littering is prohibited in elevators, stairways and hallways.
- g. The service elevator is to be used only by employees, for moves and for Residents with large dogs.
- h. It is forbidden to scratch, mark or dirty up walls and floors of the elevators. A fine of \$ 200 will be applied to those who violate this rule, and they will be responsible for the cost of all necessary repair.
- i. It is forbidden to use the main elevators for transportation of dogs of more than 10 kilos, for which the service elevator must be used.

6. WASTE DISPOSAL

- a. Garbage should be placed in plastic bags intended for such purpose. Grocery bags are not to be used as they do not retain liquids.
- b. Once placed in plastic bags, garbage must be placed within the containers located in the stair wells, with the cover closed.
- c. It is prohibited to throw or place any garbage in the common areas of the building.
- d. Materials such as construction waste, cardboard and non organic waste must not be stored anywhere inside or outside the building; its disposal is the responsibility of the Resident.

7. MOVES AND DELIVERIES

- a. All moves must be cleared with the Administrator with 48 hours notice.

- b. A maximum of two moves per day will be allowed and only the service elevator must be used.
- c. Nothing can be loaded in the service elevator without installing first the protective canvas.
- d. The Owner is responsible for 100% of the damages that are caused to the building or equipment by the move or delivery.
- e. Moving times are Monday through Friday from 8:00 am to 4:00 pm and Saturdays from 8:00 am to 2:00 pm.
- f. Trash cannot be left in the common areas. Packaging material and waste must be removed on the same day.
- g. The Administration reserves the right to cancel the move or delivery in case of emergency or if applicable rules are not followed.
- h. The apartment must be in good standing (al día) and have an electric meter installed for the elevators to be used for a move or delivery.
- i. All move forms must be signed by the Owner as an acknowledgement and acceptance of this Regulation, including liability for damages.
- j. All moves and large deliveries must be made through the parking level floor designated by the Administration.
- k. Moving and delivery trucks cannot access or be parked in the entrance alley of the building as their weight can damage the structure.

8. EMPLOYEES

The PH has concierges and janitor services. Their daily functions are:

- a. The janitors are responsible for the cleaning and maintenance of the common areas. They are also available to assist any Resident on a sporadic and short term basis. Janitors are not allowed to wash vehicles or assist in moves during their work schedule. Concierges are responsible for the reception area, for security matters and for the registration of all visitors and new Residents.
- b. The behaviour of the concierges and janitors should be friendly and helpful and they must wear the uniform provided by the administration at all times.

- c. Complaints about the concierges and janitors must be submitted to the administration to allow for proper remedial action. Staff members must be treated with respect by the Residents.

9. SECURITY

9.1 Controls

- a. The doors and gates of access to the Building must be opened directly by the Resident. It is therefore mandatory to acquire the necessary controls or card.
- b. The Concierge has every right to and must request identification of those without access control, whether they be Residents or not.

9.2 Absences

- a. Every Owner must leave a key of his apartment to the administration or to another Resident to allow entry into his apartment in case of emergency, and notify the Administration of the identity of such person.
- b. Residents must notify the Concierge or the Administration when his apartment remains vacant for a period of more than 24 hours.
- c. Residents must shut the main water valve to their apartment whenever their apartment remains vacant for a period of more than 24 hours.
- d. Failure to comply with this article 9.2 carries a fine of \$100. Furthermore, Residents will be responsible for all damages resulting from water damage originating in their apartment.

9.3 Emergencies

- a. In case of emergency or damages to the Building, the Concierge must be contacted immediately.
- b. The Concierge has a telephone listing of Owners, Residents and service providers and of the Administrator and is responsible to contact rescue services, firemen and ambulances in case of emergencies.

9.4 General Rules

- a. It is prohibited to carry firearms or pellet guns in the common areas of the Building.
- b. It is the responsibility of each Owner and/or Resident to maintain in good condition the fire prevention equipment inside their apartments, including fire detectors

- c. Each Resident will be responsible for the functionality of their intercom and, should it suffer any malfunction it must be repaired immediately at the Owner's cost.
- d. Each Owner must maintain an insurance policy for damages to third parties with a minimum indemnity of \$50,000. Failure to provide a copy of such policy to the Administration will carry a fine of \$ 50.00 per year.

9.5 Repairs and Access to Apartments

- a. Each Owner and Resident must give access to his apartment needed to enable repairs or maintenance of other apartments or the Building, including the painting of the Building and repair of windows.
- b. When a damage or defect in one apartment affects or may affect other apartments or common areas, the Administrator shall require the Owner to effect the necessary repairs within a fixed period. If such Owner fails to do so, the Administrator shall use available legal recourses to carry out the repairs to prevent damage to other apartments or common areas. Expenses incurred by the Administrator in connection with such repairs, including legal costs will be at the Owner's expense.

10. PETS

- a. It is forbidden to bring pets to the social area, pool, gymnasium and Events Room.
- b. Residents must clean immediately any area of the Building, including patios and gardens, soiled by their Pets.
- c. Any damage that is caused by a pet shall be the responsibility of its owner.
- d. Dogs that bite, are aggressive or unusually loud or cause significant disturbance may be expelled from the PH. Residents shall have 48 hours to comply with such an expulsion order.
- e. Pets may enter and exit through the lobby provided they are held on leach at all times, and provided they are clean and dry.
- f. Pets of more than 10 kilos must use the service elevator.
- g. Pets cannot be kept on the balconies of apartments.

11. SALE, TRANSFER AND LEASE OF APARTMENTS

- a. The Administrator may use all legal means to prevent and correct anomalies that may arise.

- b. Amongst the legal requirements for the sale or other form of transfer on an apartment, including a transfer in trust, is that the Owner be in good standing (*paz y salvo*) with the PH. Failure to secure certificate confirming that the Owner is in good standing with the PH for a transfer will carry a fine corresponding to \$500.00 for every apartment so transferred, which will be added to the account of the transferee, since a transfer in trust could enable the transferor to continue to exercise the voting rights attached to the units transferred in contravention of the provisions of the PH Law.
- c. Each owner must transmit a copy of these Regulations to a new Resident of his apartment, or request the Administration to do so, as the lack of knowledge of these Regulations does not constitute an excuse for non compliance or from applicable fines. Any sale or lease or other form of transfer of an apartment must be notified to the administration in order to keep all information up to date concerning the Residents of the PH.
- d. Any Owner is responsible for any damages that his Tenant, visitor or Resident may cause to the Building or other Residents. Any fine or reprimand will be applied to the Owner and necessary corrective steps should be taken by the Owner.
- e. A one time contribution of \$ 200.00 must be made to the initial funds (*fondos iniciales*) of the PH with respect to each apartment that is being sold for the first time.
- f. Given that the Reglamento de Copropiedad provides that the use of the PH is Residencial, leases of apartments for a period of less than 5 days are not allowed. A Tenant who vacates his apartment prior to the expiration of the minimum stay shall be deemed to have entered into a lease of less than 5 days unless there is a documented case of force majeure that justifies such premature departure.

12. MAINTENANCE FEES (CUOTAS DE GASTOS COMUNES)

Payment of Maintenance Fees is of paramount importance for the proper operation of the PH. Therefore, payments must be made on time. Withholding payments is illegal and affects all Owners who responsibly maintain their payments up to date.

The Maintenance Fees include the ordinary monthly fee, the extraordinary fees, surcharges and fines. They also include any other financial obligations of the Owner towards the PH pursuant to the By-Laws (Reglamento de Copropiedad), these Regulations and those otherwise adopted by the Asamblea. They also include for greater certainty any other financial obligations towards the PH that is borne by the Owner pursuant to Article 11 of the By-Laws of the PH, such as the payment of accounts sent by the Administration for electricity and other services.

12.1 Payment of Maintenance Fees:

- a. The last day for payment of the monthly fees and extraordinary fees for a month is the 10th day of the month. All other financial obligations towards the PH must be paid within ten days.
- b. After that date, the Owner will pay a 10% surcharge on any amount owed.
- c. Unless the Junta Directiva approves a different application, all payments will be applied to the Owner's account in the following order: (1) Fines and surcharges, (2) Other debts and Financial Obligations towards the PH, (3) Maintenance Fees in arrears, (4) Ordinary Monthly Fee, (5) Extraordinary Fees.
- d. All payments will be made by check drawn on a local bank in favor of "Asamblea de Propietarios del PH Casa Bonita", by APP credit card payment or by direct bank deposit.
- e. Payments in cash are not accepted
- f. If the ACH system is used, proof of payment must be sent via email to the administration in order to identify the payment.
- g. If payments are made directly to the PH's bank, a copy of the receipt shall be remitted to the Administration.
- h. The Administration will not recognize any payment that has not been correctly identified by the Owner.
- i. Once a Proceso Ejecutivo has been initiated against an Owner who is not in good standing with the PH, payments for amounts covered by the Proceso Ejecutivo cannot be made directly to the PH and shall be made to the court in accordance with applicable laws. Thus, any other payments shall be applied to the Owner's obligations not covered by the Proceso Ejecutivo.

12.2 Owners in arrears

If an Owner is in arrears in the payment of his financial obligations with the PH, he will not be considered in good standing with the PH. Not being in good standing with the PH prevents the Owner from transferring the title to his apartment, using the social area, and voting in the meetings of the Asamblea de Propietarios, as established under the PH Law.

- a. After 2 months in arrears, an Owner loses the right to use any services (including electricity) and will not be entitled to use the elevators or the social area. Similarly, the Administration has the right to restrict the use of other services as permitted by law.

- b. Arrears of more than two complete months will cause the Administration to proceed legally for the collection of the account through a Proceso Ejecutivo. All expenses incurred in the collection process will be charged to the Owner's account, in accordance with the provisions of the PH Law, including, for greater certainty, in cases where the account is settled outside of the collection process. Furthermore, a Proceso Ejecutivo is irrevocable.
- c. Furthermore, the Owner with an arrear of more than six months in the payment of his Maintenance Fees shall have to pay an additional surcharge of 10% of the amount in arrear, in addition to the surcharge provided under article 12.1 (b) of these Regulations, for an overall surcharge of 20%, as provided under the PH Law and in accordance with Article 11 of the By-Laws of the PH (Reglamento de Copropiedad). The Junta Directiva has the discretion to suspend the application of the additional surcharge under the conditions and for the period determined, in the case of an Owner who has entered into an agreement with the Administration for the payment of his financial obligations towards the PH, unless the said Owner ceases to respect the terms and conditions of said agreement.
- d. The Administration may inform in writing any financial institutions holding mortgages on apartments in arrears, as required by PH Law.

13. FINES

13.1 Fines are mandatory, and shall be paid as provided in article 12. In case of fines to Tenants, they will immediately be charged to the offender. In the absence of payment, the Owner of the apartment will be responsible for the payment of the fine jointly with such person.

13.2 In accordance with Articles 16 and 29 of the PH's By-Laws (Reglamento de Copropiedad), the Junta Directiva has determined that unless a specific fine is otherwise provided, any person who breaches a provision of these Regulations, of the By-Laws of the PH (Reglamento de Copropiedad) or the PH Law shall be liable for a fine of \$50 for a first offence and \$100 for a second and subsequent offence in addition to being responsible for all costs related to the repair of any damage and any legal costs incurred by the Administrator to enforce these Regulations. A fine for a second offence triggers the loss of the right to use the common areas, including the social area, the pool or the gymnasium, as the case may be, for a period of 30 days.

13.3 The Administrator shall immediately notify in writing the Secretary of the Junta Directiva of any fine that should, in his opinion, be imposed on an Owner or Resident and provide all material facts with respect to the imposition of such fine, with a copy to such Owner or Resident. The imposition of fines will be decided by Resolution of the Junta Directiva and will be notified through the Administrator.

13.4 Each Owner and Resident shall have the right to be heard and present a defence before the Junta Directiva in accordance with the applicable provision of the PH Law. Such right shall be exercised within five days of the issuance of the fine, by written notice to the Secretary, with the material evidence. After having reviewed all the facts submitted, the Junta Directiva shall decide whether to maintain the fine or, cancel it if it is of the view that the fine was disproportionate or not imposed in conformity with these Regulations or the PH Law.

13.5 The Owner may also submit a complaint and follow an Administrative Procedure before the Ministry of Housing and Territorial Planning (MIVIOT) through the Horizontal Property Directorate, complying with the procedural rules established in the PH Law.

13.6 It should be noted that a complaint presented will not suspend the application of the fine. There may not be more than one fine for the same offence (same time, same action). Any fine will be added to the statement of account of the Owner.

14. ELECTRICITY METERS

The central service facilities, such as electricity, drainage, water are common areas to the extent that they serve more than one apartment. The Building has central meters for water and for the electricity of common areas, Therefore each Owner is required to have an individual electricity meter so that the electricity consumption of his apartment is not included in the consumption of the PH.

- a. Not having a functioning individual electricity meter carries a fine of \$ 200 and legal sanctions and a further fine of \$50 per month after the first three months, unless an agreement has been entered into with the administration concerning the payment of the monthly electrical consumption and charges for the apartment.
- b. It is strictly forbidden to connect into electrical power outlets, electrical panels and lighting of common areas, including hallways and social areas.
- c. Each Owner must pay to the PH a one time \$ 500 deposit for the electric service in the apartment.
- d. The Owner must pay to the PH the monthly invoice for electrical service sent by the Administration, including all applicable fees and charges.

15. RENOVATIONS OF APARTMENTS

- a. The prior approval of the Administration, is necessary to make improvements, renovations or other major work in the apartments. All necessary governmental authorization must also be obtained.

- b. The application must be accompanied by a list of employees and/or companies whom will be working in the apartment.
- c. The Owner must obtain liability insurance for the PH and others for any accident that may occur during the work and provide a copy of such policy to the Administration.
- d. Workers shall enter through the parking door to carry construction materials.
- e. The garage cannot be used to store construction materials, waste and similar.
- f. The personnel working onsite cannot wander around the rest of the Building.
- g. Construction waste and other leftover materials must remain in the apartment until their final withdrawal from the Building.
- h. The columns, pipes and other similar structural elements necessary for the proper operation and safety of the Building may not be changed or modified.
- i. Working hours for any type of renovations or construction shall be:
 - a. Monday to Friday : 8:00 a.m. - 12:00 p.m.; 1:00 p.m. - 6:00 p.m.
 - b. Saturdays : 8:00 a.m. - 12:00 p.m.
- j. Apartment Owners will be liable for any damage that is caused to the Building, and third parties, including other apartment Owners.
- k. At the end of each working day the exterior of the apartment (hallways and stairs) must be clean and free from all kinds of materials and equipment.
- l. Any other minor improvements to the apartments, such as the installation of curtains, changing furniture, floor polishing, use of drills, electrical hammers or small tools, shall be subject to the above schedule.
- m. Failure to conform with the established working hours will result in immediate fines: First Time: \$50.00, Second Time: \$100.00 Third time or more: \$ 200.00. Being fined does not prevent the Administration from suspending the work temporarily or permanently.
- n. Upon receiving complaints from Residents about excessive noise, especially outside of normal hours, the Administrator will have the power to temporarily suspend the work until the Owner provides the necessary corrective measures and instructions to his personnel
- o. The construction and remodelling waste cannot be disposed in garbage disposal waste bins or Building trash. Each Owner must coordinate with the contractor for removal of the waste from the Building.

16. BALCONIES AND WINDOWS

- a. Residents are prohibited from displaying rugs, towels, sheets, clothes in the windows and balconies.
- b. Its prohibited to spray paint, cleaning products, water, when cleaning windows, terraces, or balconies that may somehow affect lower floors.
- c. It is prohibited to throw cigarette butts or other objects over the balcony or to place them in a position where they may fall and affect the lower floors or the area around the building.

17. ROOFTOP

For safety reasons, access and use of the rooftop will be limited to exceptional situations and/or urgent, professional or special cases requiring some form of mobilization of personnel in that area.

18. FACADES

It is not permitted to alter the facade of the Building, including by installing air conditioning units in windows or locations other than those provided in the plans. Improper installation or rusted materials or units that leak shall be repaired or replaced upon notification by the Administration.

- a. Any modifications or changes that affect the general appearance of the Building or its facade are not permitted.
- b. It is not permitted to use windows, terraces or green areas to dry clothing.
- c. It is not permitted to place ad or signs of any kind.
- d. It is not permitted to install exterior antennas of any kind.
- e. It is strictly forbidden to throw cigarette butts, liquids, ice or any debris from the windows or balconies of the apartments.
- f. It is not permitted to paint or decorate individual common areas or the outside of the walls of the balconies, windows and entrance door to the apartments, unless approved in writing by the Administration.

19. MEETINGS AND PROXIES

19.1 It is important that Owners be present or represented by proxy at Meetings of the Asamblea given the restrictive provisions of the PH Law concerning quorum and voting majorities required to adopt resolutions.

19.2 Meetings of Owners and of the Junta Directiva may be held in person and / or by technological means that have validated audio and video.

19.3 If a meeting is held by technological means, the Junta Directiva is empowered to determine the most appropriate technological platform to carry it out, taking into account that it must always have validated audio and video, and it must be recorded, with a digital copy made.

19.4 The notice of the meetings of the Assembly will be issued by any member of the Junta Directiva, and will be communicated in the manner provided in article 2, within the delays prescribed by the PH Law.

19.5 An Owner who cannot attend a meeting of the Asamblea summoned by the Junta Directiva, may be represented by a proxy delivered in original form in the manner and within the delays provided by the PH Law.

19.6 The power of attorney or authorization must contain at least the data of the Owner, name of the attorney-in-fact and identification of the apartment. It may also restrict or specify the powers conferred.

20. BUDGETS AND RESERVE FUNDS

20.1 Each budget prepared by the Administrator for the approval of the Owners shall contain a minimum provision for \$50,000.

20.2 Given the state of the PH's finances, the age and condition of the Building and the difficulties and delays that can be encountered in obtaining the approval and the payment of extraordinary cuotas, the Asamblea shall maintain a separate Reserve Fund in a savings account at a major national bank, in addition to any *Fondo para Imprevistos* required under the PH Law (collectively the "Fondos").

20.3 The Reserve Fund shall only be used to finance the repair and replacement of major equipment and infrastructures ("Major Expenses"), including those that have not been budgeted, and the amortization of the cost of the painting of the facades of the Building (the "Painting Cost"). Withdrawals from the Reserve Fund other than for emergencies must be approved by the Asamblea as part of the budgetary process.

20.4 Each budget prepared by the Administrator for the approval of the Owners shall provide for a total transfer to the Fondos of at least 10% of budgeted ordinary expenses.

20.5 In addition, should there be any withdrawals from the Reserve Fund in a year, other than for the Painting Cost, the withdrawn amount should be contributed to the Reserve Fund within the following five years, on the basis of at least 20% per year.

20.6 Yearly deficits of ordinary expenses shall not be compensated through withdrawals from the Reserve Fund.

20.7 The Administrator shall be responsible for monitoring the amount of the Reserve Fund on a yearly basis and making recommendations to the Junta Directiva and the Asamblea for the inclusion in the budget of additional contributions to the Reserve Fund should the level of Major Expenses that can be reasonably expected and the depreciation of the Building and its equipment make it advisable.

20.8 The Reserve Fund shall not be allowed to fall below \$100,000 in addition to amounts necessary to finance the amortization of the Painting Cost.

20.9 Withdrawals from the Reserve Fund otherwise than in accordance with this article 20 shall only be allowed if there is clear evidence that the Reserve Fund has liquidities in excess of what can reasonably be considered prudent to fund future Major Expenses and the Painting Cost.

21. EMERGENCY MEASURES

If any emergency situation arises in the Republic of Panama or in an area that includes the PH, such as war, insurrection, natural disaster, epidemic, pandemic or quarantine, as a result of which the Government of Panama declares a state of emergency that affects the PH and its Residents, the Junta Directiva may adopt emergency ad hoc measures (safeguard clauses) to restrict the conduct of the occupants of the PH and visitors and protect the health and safety of the Residents, including restricting access to the Building.

Emergency measures will be immediately notified to the Owners and Residents and will cease to take effect as soon as the state of emergency declared by the Government ceases to have effect.

In case of a Pandemic, the mandatory use of biosafety equipment and abidance by the regulations established by health authorities will be mandatory in the common areas of the P.H.

Any Resident or employee who violates these emergency measures will be subject to a fine of up to \$ 500 for each violation, as determined by the Junta Directiva.

TABLE OF FINES

Article 13	General Provision
Paragraph 2.4 (c)	Improper Use of Fire Alarms or Extinguishers
Paragraph 5 (h)	Damage to Elevators
Paragraph 9.2 (d)	Failure to Shut off Water when Away
Paragraph 9.4 (e)	Failure to Respect Insurance Requirements
Paragraph 11 (b)	Transfer of Title Without Paz y Salvo Certificate
Paragraph 14 (a)	Failure to Have an Electricity Meter
Paragraph 15 (m)	Work Outside of Normal Hours
Article 21	Failure to Respect Emergency Measures