

## EMBARCADERO - F.A.Q.'s

- 1. Question:** Where is Embarcadero site located?  
**Answer:** On Isla Colon, in town on main street (3<sup>rd</sup> St), where Bocas Water Sports is currently located.
- 2. Question:** What is Embarcadero?  
**Answer:** A condo-hotel consisting of 22 condo units of 1 and 2 bedrooms. The condos have generous outside terraces with fantastic ocean views across the bay to Carenero, Solarte and Bastimentos Islands.
- 3. Question:** What are the facilities & amenities?  
**Answer:** Embarcadero will have a reception area, elevator, laundry center, back-up power generator, back-up water system, rental management facilities, maid services and more. In addition, the restaurant will be available for servicing residents & guests.
- 4. Question:** What is the building constructed of?  
**Answer:** The building will be constructed of steel & concrete cement structures with very durable, quality finishing.
- 5. Question:** Who are the developers?  
**Answer:** The development company is Panama Living ([www.panamalivingresorts.com](http://www.panamalivingresorts.com)), founded by the 50 year old, very well known and respected architectural firm, George J. Moreno II & Associates ([www.gjm2a.com](http://www.gjm2a.com)). The construction contractors are the largest in the country, COSIGE, who recently constructed the \$100 million dollar Multi-Plaza Mall at Punta Pacifica. The attorneys for the project are Panama Offshore Legal Services ([www.pos-inc.com](http://www.pos-inc.com)), who have offices in Panama City and Isla Colon, Bocas del Toro.
- 6. Question:** When will construction begin?  
**Answer:** The building will be constructed based on the speed that the units sell out. We anticipate that building will be sold by first quarter 2006, so construction should begin sometime in the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of 2006. It will take approx. 18 months to complete the construction, so owners will be able to occupy their units possibly in first quarter 2008.
- 7. Question:** Will prices go up as the units are nearing being all sold out?  
**Answer:** Yes, prices will go up as each floor is sold out.
- 8. Question:** Are the units titled?  
**Answer:** Some of the units are titled, with public deeds registered in the public registry of Panama (Titled condo units are: 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 3A, 3B, 3C, 3D / Titled commercial units are: 1, 2, 3, 10 and 11). The titled units can be registered in your personal name, joint name (for example, your name and your wife's name together), or in the name of a corporation, private interest foundation or trust. However, the building extends farther than the actual titled lot, into a concession area over the water, so some of the units are not titled. These non-titled units are sold as fractional ownership in the corporation that holds the concession (Fractional ownership condo units are: 1E, 1F, 1G, 1H, 2 E, 2F, 2G, 2H, 3C, 3E, 3F / Fractional ownership commercial units are: 4, 5, 6, 7, 8, and 9).
- 9. Question:** What are the property tax exonerations?  
**Answer:** The new property tax laws establish that properties within the \$100,000 to \$250,000 price range qualify for a 10 year property tax exonerated.

- 10. Question:** After the 10 year tax exoneration is expired, what will the annual property taxes be?  
**Answer:** The current property tax law establishes that annual property taxes are approx. 1% of the registered value (the registered value is the value that was registered at the public registry on the public deed at the time of the purchase) of the property.
- 11. Question:** How much do I need to put down to purchase a unit?  
**Answer:** US\$5000 is the required deposit to reserve a unit during pre-construction phase. The second down payment is 30% of the unit price (less the reservation deposit), which should be paid within 30 days from the date you are notified of the construction permits being issued. The final balance plus closing costs should be paid within 30 days from the date that the occupation permit is issued (once construction is finalized).
- 12. Question:** What will the closing costs be and what do they include?  
**Answer:** The closing costs are a flat US\$1500 which includes the legal fees (promise to purchase contract, purchase contract, title transfer, etc.), and escrow fees. The legal firm handling the closing will be Panama Offshore Legal Services ([www.panama-offshore-services.com](http://www.panama-offshore-services.com)), who have offices in both Panama City and Bocas del Toro. The escrow company will be Panama Title & Escrow Inc. in Panama City. ([www.panamatitle.com](http://www.panamatitle.com)). For asset protection reasons, many investors to put their condo in the name of a Panama Corporation or Foundation, however, the cost of the setup of the corporation or foundation is additional and not included in the standard closing fee.
- 13. Question:** What will the rental management company charge to rent my unit in the rental management program?  
**Answer:** We are still in negotiations with various world-class rental management companies, however, expect that the rental management company we select will charge approximately 30% of the rental income.
- 14. Question:** What will the condos rent for and under what terms?  
**Answer:** The condos will be primarily short term rentals ranging from 1 week up to 1 year. Rental rates will vary depending on the term and season, however, we estimate that on average, 1 bedroom units will rent for approximately \$800 per week, and 2 bedroom condos will rent for approximately \$1000 per week. Clients will be required to leave a deposit and pay rents weekly, bi-weekly or monthly depending on their lease term.
- 15. Question:** What are the monthly maintenance fees, what do they include, and when do I have to pay them?  
**Answer:** Monthly maintenance fees will be US\$100 for 1 bedroom units, and \$125 for 2 bedroom units. Maintenance services will include 24 hour security, landscaping, and maintenance / cleaning of all communal areas and facilities (elevator, power plant, water system, etc.), and trash disposal. Maintenance fees should be paid 12 months in advance at the beginning of each year.
- 16. Question:** Are furnishing or appliances included with the purchase of a condo?  
**Answer:** No. However, we are offering furnishing & appliance packages for both 1 and 2 bedroom units, starting at US\$12,000 for 1 bedroom units and US\$15,000 for 2 bedroom units. Please see our furnishing & appliance packages for details. Please note that all buyers who wish to include their units in the rental management program must purchase a furnishing & appliance package so that their unit is uniformly furnished and decorated for rental and hotel maintenance purposes.
- 17. Question:** Will financing be available? If so, what will the rates & requirements be?  
**Answer:** Yes. We are working with several banks to offer attractive financing options. Financing rates will be variable and will vary depending on international rates as well as

the buyers particular circumstances in terms of residency status (Panamanian residents qualify for lower rates). Requirements will vary with each bank, however, the general requirements are the following; Photocopy of entire passport (all pages), 2 original bank reference letters, 2 original commercial or professional reference letters, utility bill (showing your personal name and physical address), photocopies of last 2 years tax returns or financial statements, letter explaining your income source(s), and personal resume (curriculum vitae).

**18. Question:** Can I include the furnishing & appliance package in the financing (mortgage) with the bank?

**Answer:** Possibly. That depends on what bank you select for financing and whether or not they will finance the furnishing & appliance package.

**19. Question:** Can I qualify for a Panamanian resident visa by purchasing a condo at Embarcadero?

**Answer:** Yes, however, that depends on what unit you purchase and the price you pay. The self-economic solvency visa law establishes that investors can qualify if they; (a) invest US\$200,000 in a titled property in Panama, (b) invest US\$200,000 in a 2 year time deposit or CD with a Panamanian bank, or (c) invest a combination of US\$120,000 in a time deposit and US\$80,000 in a titled property. Please note that to qualify, the property title and/or CD account must be in your personal name. Therefore, if you purchase a unit that is priced at US\$200,000 or more, then you can qualify for a resident visa. Otherwise, if you purchase a unit with a lower value than US\$200,000, then you must also open a bank CD (time deposit) with any Panamanian bank for 2 years with at least US\$120,000 to qualify for the Self-Economic Solvency Visa (Visa de Solvencia Economica Propia). There are also other types of visas that you may qualify for, so we recommend that you contact Panama Offshore Legal Services at [info@pos-inc.com](mailto:info@pos-inc.com) for details.

**20. Question:** Is there any parking available at Embarcadero?

**Answer:** No. Unfortunately, none of the buildings on the ocean on main street (3<sup>rd</sup> Street) where Embarcadero is located, have parking.

**21. Question:** Will there be a marina available at Embarcadero?

**Answer:** We are in the process of applying for a marina permit for a small number of boats, however, we are not sure if the request will be approved by the Maritime Authority.

**22. Question:** Will the cleaning lady's of the condo management offer cleaning & laundry service to the residents?

**Answer:** Yes, residents will be offered special rates for cleaning & laundry services.