

**REPUBLIC OF PANAMA  
PROVINCE OF PANAMA**

**TENTH CIRCUIT COURT NOTARY OF PANAMA**

**Licda. NOEMI MORENO ALBA  
NOTARY**

**Calle 30 y Elvira Méndez Edif. El Ejecutivo**

Telephone: 223-9423  
Fax: 223-9429

PO Box 6639-Z5  
REP. DE PANAMA

**COPY OF DOCUMENT No. 11153, of June 1, 1999**

**By which:**

**The documents recognizing the LEGAL STATUS of the PANAMA  
CANAL AREA and MILITARY BASES RETIREES' ASSOCIATION is  
protocolized.**

**REPUBLIC OF PANAMA  
NOTARIAL DOCUMENT  
TENTH CIRCUIT COURT NOTARY OF PANAMA**

PUBLIC DOCUMENT NUMBER ELEVEN THOUSAND ONE HUNDRED FIFTY THREE (11153)

BY WHICH the documents recognizing the LEGAL STATUS of the CANAL AREA and MILITARY BASES OF THE UNITED STATES IN PANAMA RETIREES ASSOCIATION, is protocolized.

PANAMA, JUNE 1, 1999

In Panama City, capital of the Republic of Panama, head of the Notarial Court by the same name, on the first (1) day of Junenineteen ninety nine (1999), **ANIBAL ILLUECA SIBAUSTE**, Panamanian adult male, married, attorney with Personal Identification Card eight-twenty six-four hundred fifty four (8-26-454), member of the law firm **ILLUECA AND ASSOCIATES**, duly authorized thru Act dated July twenty (20) nineteen ninety eight (1998), appeared before me, **NOEMI MORENO ALBA**, Tenth Circuit Court Notary of Panama, holder of personal identification card, seven-thirty seven- seventy eight (7-37-78), presenting the legal public document for protocolization and to effectively protocolize the documents recognizing the LEGAL STATUS of the **PANAMA CANAL AREA and MILITARY BASES OF THE UNITED STATES IN PANAMA RETIREES ASSOCIATION**. With the requested protocolization accomplished, copies will be expedited to the interested parties. -

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This Act was prepared by the law firm **ILLUECA AND ASSOCIATES**, offices at fifty second (52) Street, number seventeen (No. 17), Bella Vista, Panama City-----

Advised persons appearing before me that the copy of this document must be inscribed and read in the presence of instrumental witnesses **JORGE LUIS ESPINOSA**, holder of personal identification card number eight- two hundred sixty- nine hundred ninety five (8-260-995), and **ROBERTO DELGADO HERRERA**, holder of personal identification card eight-four hundred twenty nine-eight hundred twenty five (8-429-825), adults of this city whom I know to be capable, found document to be in order, gave their approval and signed for constancy before me; I accepted in good faith. This document carries the number ELEVEN THOUSAND ONE HUNDRED FIFTY THREE (11153).

(Signed): **ANIBAL ILLUECA SIBAUSTE**---**JORGE LUIS ESPINOSA**---**ROBERTO DELGADO HERRERA**---**NOEMI MORENO ALBA**, tenth Circuit Court Notary of Panama -----

**MINUTES OF THE CONSTITUTION OF THE PANAMA CANAL AREA and MILITARY BASES OF THE UNITED STATES IN PANAMA RETIREES' ASSOCIATION**-----

In the City of Panama, on November 13, 1997, a meeting was held by the "Governing Body" of the Group Insurance Board ( Panama Canal Area), an association recognized by the Government of the United States of America, detailed as the following:

1. **WALTER C. BOTTIN** -----President
2. **JULIO A. CISNEROS** -----Vice-President
3. **VANESSA DE GRACIA**-----Secretary

**DIRECTORS:**

4. **ANTONIO A. GRENALD;** 5. **GEORGE F. BRATHWAITE;** 6. **MIGUEL H. MACHADO;**
7. **CARLOS A. PAYNE;** 8. **JOSE A. CLAUS;** 9. **RICHARD S. ZORNES;** 10. **GLADYS DIAZ- SAARINEN;** 11. **SAMUEL A. MCGUINNESS;** 12. **BARBARA B. LEDEZMA;** 13. **JACINTO J. HOLNES;**
14. **JOHN T. BOWMAN;** 15. **THOMAS E. PIERCE;** 16. **DALYS DE G. SOLIS;** 17. **ALFRED SHOY;** 18. **ROBERT R. URQUHART;** 19. **OSCAR BROOKS, JR.** 20. **ROBERT T. RUSSELL**-----

**WALTER C. BOTTIN** presided over the meeting and **VANESSA DE GRACIA** acted as President and Secretary respectively, whom are President and Secretary of the Governing Body of the "Group Insurance Board" (Panama Canal Area). The President declared the session open after verifying the corresponding quorum, at 8:20 am and immediately stated the motive of the meeting, to discuss the convenience/need to establish a nonprofit Association denominated **ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, in Panama**, that would meet the needs of all employees, active and retired from United States government agencies, that operate or once operated in the Republic of Panama, and continue with the functions and is dedicated to the continuation of activities of the "Group Insurance Board (Panama Canal Area)" in the Republic of Panama, prior to the definite reversion of the Panama Canal to the Republic of Panama on December 31, 1999. --

A motion, duly presented, was discussed and approved and the following resolution was adopted:

-----**RESOLVE:**-----

1. **APPROVE** the constitution of the nonprofit Association denominated **ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA**, to ascertain the gathering of all employees, active and retired of the Government agencies of the United States of America, that operate or once operated in the Republic of Panama, and continue with the functions dedicated to the continuity of the activities of the “Group Insurance Board (Panama Canal Area)” in the Republic of Panama, prior to the definite reversion of the Panama Canal to the Republic of Panama on December 31, 1999. -----
2. Appoint **WALTER C BOTTIN, JULIO A. CISNEROS, VANESSA DE GRACIA, ANTONIO A. GRENALD, LINA A. BOZA, JORGE L. QUIJANO, GEORGE F. BRATHWAITE, MIGUEL H. MACHADO AND CARLOS PAYNE**, to act jointly with local legal advisors to prepare in the name of the ‘Group Insurance Board) Panama Canal Area’ and the **ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA**, a prospectus of Bylaws for the Association to be discussed at the following meeting of the Governing Body of the Group Insurance Board (Panama Canal Area).-----  
 With nothing further to discuss the meeting was adjourned at 9:30 am on November 13, 1998-----  
 The President, -----the Secretary-----  
 (Signed) W. C. Bottin----- (Signed) Vanessa De Gracia-----  
 This a true copy of the original. (Signed) (Signature illegible), Office of the Legal Advisor There is a stamp which reads: Republic of Panama, Office of the Legal Advisor, Ministry of Government and Justice. -----

**MINUTES OF THE APPROVAL OF THE BYLAWS AND THE DESIGNATION OF THE PROVISIONAL GOVERNING BODY OF THE ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA** -----

In the City of Panama on July 20, 1998 a meeting was held among the members of the “Governing Body of the Group Insurance Board (Panama Canal Area)”, an association recognized by the Government of the United States of America, and detailed as follows:-----

1. **WALTER BOTTIN**-----**President**
  2. **JULIO A. CISNEROS**-----**Vice-President**
  3. **VANESSA DE GRACIA** -----**Secretary**
- DIRECTORS: 4. ANTONIO A. GRENALD; 5. LINA A. BOZA; 6. JORGE L. QUIJANO; 7. GEORGE F. BRATHWAITE; 8. CARLOS A. PAYNE; 9. JOSE A. CLAUS; 10. RICHARD S. ZORNES; 11. GLADYS DIAZ SAARINEN; 12. BARBARA B. LEDEZMA; 13. JACINTO J. HOLNES; 14. JOHN T. BOWMAN; 15. THOMAS E. PIERCE; 16. DALYS DE G. SOLIS; 17. ALFRED SHOY; 18. ROBERT R. URQUHART; 19. OSCAR BROOKS, JR., 20. TEODOSIO BERNAL, 21. SAMUEL E. JIMENEZ** -----

The designation of the Provisional Governing Body and the Dignitaries of the **ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA**. -----

A motion duly presented, discussed and approved adopted the following resolution: -----

-----**RESOLVED**-----

1. **APPROVE** the **BYLAWS** of the **ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA**, according to what was written and appeared in the text of the Draft of the Bylaws of the **ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA**, presented at this meeting with **WALTER C. BOTTIN, JULIO A. CISNEROS, VANESSA DE GRACIA, ANTONIO A. GRENALD, LINA BOZA, JORGE L. QUIJANO, JOSE A. CLAUS, MIGUEL H. MACHADO and CARLOS A. PAYNE**, document that was annexed the present one. -----
2. **DESIGNATE**, conforming to **Article XVII** of the **BYLAWS** of the **ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA**, the following persons as members of the Provisional Governing Body of the Association, whose terms will end on December 31, 1998, when the elected members will take possession as the Governing of the Association: -----

1. WALTER C. BOTTIN---2. JULIO A. CISNEROS----3. VANESSA DE GRACIA----
4. ANTONIO A. GRENALD; 5. LINA A. BOZA; 6. JORGE QUIJANO; 7. GEORGE F. BRATHWAITE; 8. MIGUEL MACHADO; 9. CARLOS A. PAYNE; 10. JOSE A. CLAUS; 11. NORIS E. LOPEZ; 12. RICHARD S. ZORNES; 13. GLADYS DIAZ SAARINEN;
14. SAMUEL A. MCGUINESS; 15. BABARA B. LEDEZMA; 16. FRANKLIN O. BOTELLO;
17. JACINTO J. HOLNESS; 18. JOHN T. BOWMAN; 19. THOMAS E. PIERCE;
20. DALYS DE G. SOLIS 21. ALFRED SHOY; 22. ROBERT F. URQUHART; 23. OSCAR BROOKS JR.; 24. TEODOSIO BERNAL; 25. SAMUEL E. JIMENEZ-----

3. DESIGNATE, according to Article XVII of the **BYLAWS OF THE ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA** the following persons as Dignitaries of the Association: ----

**PRESIDENT: -----WALTER C. BOTTIN**

**VICE-PRESIDENT: ----- JULIO A. CISNEROS**

**SECRETARY: ----- VANESSA DE GRACIA**

4. DESIGNATE **ILLUECA AND ASSOCIATES**, Panamanian legal law firm, residing at Calle 52, No. 17, Bella Vista, Ciudad de Panama, and authorizes said firm to request previous authorization from

The Ministry of Government and Justice, to protocolize these Bylaws before a Notary Public and register same in the Public Registry of Panama -----

5. AUTHORIZE the President and Legal Representative of the Association to take the necessary pertinent measures to obtain the approval and recognition of the Association by the Government of the Republic of Panama. -----

With nothing further to discuss, the meeting was adjourned at 9:45 am on July 20, 1998. -----

The President, -----the Secretary-----

(Signed) W. C. Bottin----- (Signed) Vanessa De Gracia-----

This a true copy of the original. (Signed) (Signature illegible), Office of the Legal Advisor There is a stamp which reads: Republic of Panama, Office of the Legal Advisor, Ministry of Government and Justice. -----

-----**THE BYLAWS**-----

By which **THE ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA** is constituted with domicile in the City of Panama, Republic of Panama -----

**ARTICLE I Name and domicile** ----- The name of the association will be **THE ASSOCIATION OF EMPLOYEES AND RETIREES OF THE PANAMA CANAL AND MILITARY BASES OF THE UNITED STATES, IN PANAMA** (from here on denominated "THE ASSOCIATION"). The main office of **THE ASSOCIATION** will be located in Panama City, Republic of Panama -----

**ARTICLE II Purpose and objectives** ----- a) **THE ASSOCIATION** is a nonprofit organization whose main objective is to unify the efforts of the members to care for their benefits and health. To accomplish this, **THE ASSOCIATION** could patronize and supervise a program of group benefits and could patronize and /or supervise, within the legal and contractual limits respectively, and other social program, financial and of benefits considered beneficial to the needs and desires of its members; also carry out the necessary action to protect the interests of all its members. b) **THE ASSOCIATION** patronizes and supervises a Federal Employees Health Benefit Plan, identified as the Panama Canal Area Benefit Plan (from here on denominated "**THE PLAN**"), approved by the United States Office of Personnel Management (OPM), in Washington, D. C. -----c) **THE ASSOCIATION** can also pursue and other goal or objective deriving from the aforementioned goals and objectives.

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**ARTICLE III Membership** -----The membership of the Association will be limited to the following individuals: Active employees, ex-employees and retirees of United States government agencies operating or having operated in the Republic of Panama who are inscribed or maintain a subscription in the Plan or any other plan or program patronized or supervised by the Association.

**ARTICLE IV The Governing Body** a) **The Association** will have a Governing Body (from here on denominated The Governing Body), which will have faculties to conduct, administer and control all the affairs and businesses of The Association, as long as it is not inconsistent with the Bylaws of the Association and the ongoing regulations established in the Republic of Panama. b) The Governing Body of the Association will consist of Thirteen (13) members (from here on denominated the Directors), elected by the membership of the Association, in the following manner: i) Ten (10) Directors will be elected by and from the membership of active employees in a general election, which will take place in November, 1998, and will have a period of duration of Two (2) years beginning January 1, 1999. ii) Three (3) Directors will be designated, who will be named from the membership of retirees of the existing entities of retirees, prior to December 31, 1998, and will have a period of duration of Two (2) years beginning January 1, 1999. The vacancies among the Directors designated by the membership retirees will be filled by appointment of a new Director designated. c) From here on the Governing Body of the Association will consist of Thirteen (13) Directors, elected by the membership of the Association in a general election, which will be held in the month of November 2000. The period in the position of Director will be four (4) years, beginning January 1, 2001, consequently, a general election will be held every four (4) years in the month of November, for the election of the Governing Body. d) The vacancies that occur among the elected Directors will be filled by the runner-up candidate with the most votes during the last general election, as long as he maintains his membership in the Association current, and the candidate not be already a Director. Should there not be any eligible candidates, the Governing Body will select and designate a member from the Association to fill the vacancy. The Directors designated to fill a vacancy must complete the term of the Director he/she is replacing. ----- e) To be a member of the Governing Body the candidate must comply at all time with the following requirement: -----i) Maintain his membership with the Association in accordance with Article II.-- ii) Be elected or designated in accordance with the conditions established in Article IV. ----- iii) Maintain his permanent residence in the Republic of Panama. ----- f) Every Director, at all times must comply with the aforementioned requirements. If at any time any Director fails to comply with said requirements he/she will be removed from the position of Director and the vacancy created will be filled according to the conditions established in Article IV. -----

**ARTICLE V. The Dignitaries** -----a) The Dignitaries of the Association and the Governing Body (from here on denominated "The Dignitaries") will be a President, a Vice President, a Secretary and a Treasurer, who will be elected by the Governing Body of the same members elected, in their first meeting. b) The first Dignitaries of the Association will serve for a period of two (2) years beginning January 1, 1999. From that moment on all Dignitaries will serve for a period of four (4) years, beginning January 1, 2001. However, the Dignitaries will remain in place until their successors are duly installed. -----

c) Any Dignitary may be removed from his position at any moment by means of an affirmative vote from at least ten (10) of the Directors of the Association, by means of a nominal vote, specifically called for that purpose.-----

d) The Dignitaries must, at all times, maintain the condition of Directors of the Association. If any Dignitary loses his condition of Director a vacancy will occur. The vacancies that occur among the Dignitaries will be filled by the Governing Body at their next regular meeting.

**ARTICLE VI The President** ----- a) **The President** of the Association and the Governing Body (from here on denominated “The President”), will preside all the meeting of the Governing Body and will make sure all of the orders and resolutions of the **Governing Body** be complied with and executed. ----- b) **The President** will be the Legal Representative of the Association and will be responsible for the daily handling of all the business of the Association. -----c) **The President** will represent the Association in any businesses or contracts, according to the decisions and policy of the Governing Body. ----- d) **The President** will maintain communication with all interested parties, **The Governing Body, The Executive Committee** and with the public in general as he manages the affairs of the Association. ----- e) The President will execute, oversee and provide for the execution of all contracts and agreements, necessary for the execution of the orders and resolutions of Governing Body, the Executive Committee and any other committee that the Governing Body from time to time deem convenient to designate. ----- f) **The President** will present a report at every meeting with the **Governing Body and the Executive Committee**, to include all the operations and activities of the Association, that take place from their last meeting. -----

**ARTICLE VII The Vice- President** ----- The Vice- President of the Association and Governing Body (from here on denominated “The Vice-President”) will, in the absence or incapability, temporary or permanent, of the President, carry out and effect the obligations and exercise the faculties of the President, and must execute the obligations and exercise the other faculties that the Governing Body and the Bylaws determine. . -----

**ARTICLE VIII the Secretary** ----- **the Secretary of the Association and the Governing Body** (from here on denominated “the Secretary”) will attend all the meetings of the Governing Body and maintain or provide for the upkeep of a complete registry and all of the proceedings, the minutes of all of the meetings and the files of the Association and the Governing Body; and must effect all of the obligations and exercise the power determined by the Governing Body and the Bylaws. -----

**ARTILCE IX the Treasurer** -----**The Treasurer** of the Association and of the Governing Body (from here on denominated “the Treasurer”) will in charge of adequately handling the books and registers of the Association, which will be maintained according to the Laws of the Republic of Panama, and maintain or provide for the adequate management of the accounts of the Association. b) The Treasurer will provide funds for the payment of obligations of the Association and for the collection of the credits of the Association in a manner consistent with dispositions of the Laws of the Republic of Panama and the policies of the Association as established by the Governing Body and the Executive Committee. ----- c) The Treasurer will present a report at every meeting of the Governing Body or upon request of the Executive Committee in every one of its meetings, on the financial status of the Association. -----

**ARTICLE X the Executive Committee**----- a) There will be an Executive Committee (here on denominated “**The Executive Committee**”) which will consist of five (5) members, to include the President, the Vice-President, the Secretary and two(2) other Directors elected by the Governing Body from among its elected members during its first meeting. ----- b) The Vice-President will preside at the Executive Committee meetings, (here on denominated “**The President of the Executive Committee**”), and the Secretary will serve as Secretary of the Executive Committee. ----- c) The meetings of the Executive Committee will be called by the President of the Executive Committee or by written request from at least two (2) of its members. Three members of the Executive Committee constitute a quorum for any business transaction of the committee. ----- d) All members of the Executive Committee must maintain their condition of membership with the Association and the Directors. If any of these conditions is not complied with a vacancy will occur. Vacancies that arise within the members of the Executive Committee will be filled by the Governing Body at their next regular or special meeting. ----- e) The Executive Committee, in the name of the Governing Body will act in affairs referring to the Governing Body. They will also investigate or procure an investigation of any violation or suspicion of violation of the established dispositions of and by the Bylaws or any other disposition established by the bodies of the Association, and any other misuse or act of fraud against the Association or against any plan or program patronized or supervised by the Association, and will have sufficient power to require remedies necessary against such actions, including recommendations of suspension or expulsion of a member from the Association, according to the dispositions established in Article XI. f

of the Bylaws ----- f) In the interval between meetings of the Governing Body or due to a lack of quorum in any meeting of the Governing Body, the Executive Committee will exercise the powers invested in the Governing Body included in Article VI a, to act in affairs that due its urgency a call for another meeting of the Governing Body cannot be delayed. -----g) The President of the Executive Committee will present a report at each meeting of the Governing Body explaining any action taken by the Executive Committee since the last meeting of the Governing Body. The Governing Body will have the faculties to confirm, modify, or revoke any action taken by the Executive Committee. -----

**ARTICLE XI the Membership Committee, Nominations and Elections. -----**

a) There will be a **Membership, Nominations and Elections Committee** (here on denominated “the **Membership Committee**”) which will consist of five (5) members, elected from within the membership of the Association by the Governing Body, under recommendations from the Executive Committee. The Membership Committee will elect a President from its members (here on denominated as ‘the President of the Membership Committee’) -----

b) The members of the Membership Committee cannot be part of the Governing Body, but they must comply with the requirements of the Governing Body. The members of the Membership Committee must serve four (4) years, the first of which will begin on January 1, 1999. ----- c) The Governing Body will have the power to remove,

by means of an affirmative vote of at least nine (9) of the Directors, any member of the Membership Committee that have not exercised his position with due diligence or removal is upon request of the Executive Committee according to the dispositions established in Article X .e of the Bylaws. Should a member of the Membership Committee be removed, a vacancy would occur, which will be filled according to the dispositions set forth in the following literal d. -----

d) Should any member not comply with any of the established requirements for the members of the Governing Body or submit his name as a candidate for elections of the Governing Body, he/she will lose his condition of member of the Membership Committee, hence a vacancy will occur, which will be filled by the Governing Body in the next meeting. The person elected will fill the vacancy of the Membership Committee for the remainder of the term of the person he/she replaces. ----- e) The Membership Committee will be responsible for conducting all of the general elections or special elections or referendums regulated by the dispositions established in Article XIII of the Bylaws. Therefore, they will have the power to set the dates of the opening and closing of the period of nominations, approval of the official lists, emitting of voting instructions, establishing the opening and closing dates of elections, supervision the submission of votes, certify the elected Directors and establish the results of the election. -----

f) The Governing Body will have the power to establish and regulate the admission procedure for new members of the Association. The Membership Committee will have the power to supervise and keep vigil over the process of admission of new members into the Association. They will also have the power to suspend or terminate the membership of any person in the Association by means of an affirmative vote of the majority of the members, if said member is involved in any activity or commits any act against or contrary to the dispositions of the Bylaws, or should he/she show intent to commit fraud against the Plan or any other program patronized or supervised by the Association or show intent to or commit any act or be involved in any activity that would endanger or cause danger to the Association or any of its members according to the dispositions established in Article X. e., as long as an investigation of the matter is conducted by the Executive Committee and said matter has been submitted to the Membership Committee for consideration. -----

g) Prior to making an adverse decision against any member, the member should be notified in person and in writing, the specific charges or derogatory information brought against him/her and be given a minimum of ten (10) calendar days to explain, mitigate or verbally refute or in writing or both before the Membership Committee. Any adverse decision brought against any member of the Association should be in writing and done in person, with a detailed explanation of the reasons for the decision taken, the day in which the member was given the opportunity to refute the charges or the derogatory information against him/her, and the right, if any, to appeal. ----- h) The person or persons suspended or expelled will have the right to appeal before the Governing Body within thirty (30) calendar days following the notification of the decision of the Membership Committee. The decision of the Governing Body in these matters is final and conclusive. The Governing Body will have the power to review and make a call on any decision taken by the Membership Committee. -----

**ARTICLE XII - Meetings and Procedures -----** a) **The Governing Body** should celebrate a minimum of six (6) regular meeting per calendar year. All of the committees of the Association should celebrate at least one (1) meeting a month. -----b) Special meetings of the Governing Body or any other committee can be called at any moment by the President or the person that preside said committee, or by means of a written request from at least five (5) Directors or two (2) members of each committee respectively. The business of special meeting

will be confined to such business for which the meeting was called. -----c) Should the President, or the person presiding any committee of the Association, or the Secretary or person acting as secretary of any committee of the Association be temporarily absent from a meeting in which he/she must preside, the other members of the Governing Body or of the committee, must designate a member to act as president or secretary of the meeting, as the case may be. ----- d) Any meeting that is called in a manner inconsistent with the established dispositions of the Bylaws or the laws of the Republic of Panama, same will declared null or not valid and the decisions taken or made in said meeting will not be executed. Any decision of the Governing Body with respect to the funds of the Association will be made by means of an affirmative vote of at least nine (9) of the members and will be consulted with the Treasurer prior to execution. ----- e) Before beginning and meeting or general assembly, the secretary of the meeting will give the president of the meeting a list in alphabetical order of the names of each Director or member of the committee, having rights to deliberations and right to vote in the decisions to be taken. ----- f) Any meeting or assembly of the Governing Body as well as any committee will abide by the following procedure: ----- 1) The meeting will begin at the hour designated when the call for the meeting was made. At said time the Secretary will verify the agreed quorum, which in case corresponds to half plus one of the members of the respective meeting having the right to vote, unless a different quorum is required for said meeting or assembly according to the dispositions of the Bylaws. ----2) Once there is a quorum the President declares the session open and the Secretary or the person designated to act as same reads the Order of the Day. The Order of the Day can only be modified by an affirmative vote of half the assembled members plus one with the right to vote. ----- 3) Once the Order of the Day is read and approved, the President initiates the discussion of the points in the Order of the Day in the order in which they were approved. Each point must be discussed and/or debated until a decision is made prior to proceeding on to another point unless there is an alteration to the Order of the Day in the form established in the aforementioned numeral 2. ----- 4) The meeting will be declared terminated once all points are discussed and a decision is made accordingly with respect to every point or when there is not a quorum to begin the meeting or to continue the discussion of the Order of the Day. ----- 5) There will be written minutes of every meeting each having the established format in Article X of the Bylaws. -----g) Any agreement of the Governing Body or of any committee will be obligatory for all members of same. However, for this obligation to be valid, it will be necessary to establish this agreement or resolution in the minutes of the meeting of which it was approved, which will indicate the day and place the meeting or assembly was held, the number of Directors or committee members were present and these minutes must be signed by the President and the Secretary. - ----- h) Inasmuch as there is the disposition, there will be considerations among those present and the indicated agreements by members of the Governing Body or of any other committee, regarding a matter of importance, when the agreement was made directly by telephone, fax, or electronic communication, as long as the requirements of quorum were met and made known to the participants at least Two (2) days before that the matters would have been discussed and adapted in said meeting. Of these agreements there will minutes of the meeting affected, the agreements adopted and the manner in which the participants had been in communication, which then would have validity even when the signatures applied had been made on different dates in different locations. -----i) No agreement of the present Article will be valid should it conflicts with the disposition of the laws of the Republic of Panama. With respect to the practice and procedure of any meeting of the Governing Body or of any other committee, whatever is not within the disposition, not regulated or is in conflict with the Bylaws or the existing laws of the Republic of Panama, will be resolved according to the Roberts Rules of Order and Parliamentary Procedures, revised edition according to the Spanish text. Nevertheless, any discrepancy, contradiction or legal hitch of proceedings will be resolved by a majority of votes of the respective meetings or assemblies, as long as there is no contradiction of the dispositions of the laws of the Republic of Panama. -----

**ARTICLE XIII Elections**-----

a) As it has been established in Article IV of the Bylaws, elections for members of the Governing Body will be every Four (4) years in the month of November. ----- b) The Membership Committee will emit a call for nominations in the month of August in the election year, a period which will be open for Thirty (30) calendar days. Said call for elections will be published once (1) in at least Three (3) different daily tabloids of nationwide, Republic of Panama, circulation prior to the initial period of Thirty (30) calendar days. ----- c) The nomination of candidates will be limited to members of the Association who have consented in writing, to serve if elected, and same must be accompanied by a list of printed names, with signatures and personal identification card numbers; a list of at least Two Hundred (200) members of the Association. ----- d) The Membership Committee, after careful evaluation and verification of each of the candidates having complied with the established requirements of Article IV of the Bylaws, will present to the Governing Body a



preliminary list of nominated candidates according to lateral c previously cited, and the list of all the voting members of the Association. ----- e) Any member of the Association and/or the Governing Body will have Three (3) work days to oppose any candidate or member, and the Membership Committee will decide on said opposition immediately. After the list has been reviewed by the Governing Body and all oppositions have been resolved by the Membership Committee, at least Fifteen (15) calendar days prior to the established starting date for voting, the official list of candidates will be emitted, which will contain the nominated candidates with space provided for the voter to include a candidate of his/her choice then the official list of voting members of the Association would be emitted. ----- f) The official list of candidates will be distributed to all voting members of the Association along with voting instructions and the starting and closing dates for voting, always projecting a period of at least Fifteen (15) calendar days for the total Association membership exercise their voting rights. ----- g) According to the dispositions of Article IV of the Bylaws, the Thirteen (13) candidates with the most amount of individual votes will be elected Directors. The ballots that contain more than Thirteen (13) votes will be accounted for as individual votes for the candidates marked. The ballots that are returned in blank will be declared void. ----- h) At least Five (5) calendar days after the close voting or elections, the Membership Committee will emit official results of the elections, indicating the names and number of votes of the Directors elected. Said results will be made public, for the purpose of any member of the Association wanting to oppose, for a period of Five (5) work days, after which no opposition will be accepted or reviewed. ----- i) The Membership Committee will have the faculty to decide on each claim, and its decisions can be appealed before the Governing Body, which will have the power to review any decision of the Membership Committee, and to confirm, modify or subrogate, or reject said decision. ----- j) The Governing Body, by means of recommendation from the Membership Committee should emit and approve the Electoral Ruling, that which will govern the election procedure in accordance with the dispositions of the Article XII and Article IV. a of the Bylaws.

**ARTICLE XIV Subrogations, modifications and rejections.** -----The Bylaws can be rejected, altered, modified, surrogated, or new Bylaws can be adopted, by means of an affirmative vote of at least Ten (10) of the Directors, as long as a written notice is sent to each and every Director, at least Fifteen (15) calendar days prior to the meeting in which a decisions will be considered and voted upon.

**ARTICLE XV Dissolution and Liquidation** -----The dissolution of the Association will be requested by the Governing Body in any of the following manner: -----1) By written consent of three fourths (3/4) of the total membership of the Association, as long as there is show of desire to dissolve the Association; in this case there is no reason for a meeting of the Governing Body to decide on the dissolution of the Association; or ....2) By means of a resolution based on an affirmative vote from at least Ten (10) Directors. If the Directors find it convenient that the Association be dissolved, they will propose an agreement of dissolution and within Sixty (60) calendar days following the call for the meeting of agreement, they will call for a referendum for a special voting among all of the members of the Association to decide about the agreement of dissolution. -----a) If in a referendum or voting of all members of the Association, summoned by the Governing Body, the members adopt a resolution approving the agreement of dissolution of the Association, by means of an affirmative vote of the absolute majority of the total membership (an affirmative vote of the half plus one of the total membership), a copy of said agreement will be issued, which will be certified by the President or the Vice-President, The Secretary and the Treasurer or Assistant Treasurer, and same would be protocolized and a certified copy presented to the Panamanian Government authorities. ----- c) Once the document containing the resolution is duly registered in the Public Registry, the Association will be declared dissolved. ----d) In the event the Association is declared dissolved or when it ceases to exist due to the expiration of the period stated in the social pact, the Association will remain active for a period of One (1) year from said date to initiate the process of liquidation, but in no way can it continue its business for which it was constituted. -----e) Once the process of liquidation begins the Governing Body designates a liquidator of the Association, who must be a member of the Association with faculties to fix matters, collect credits, sell and transfer goods of all kinds, divide goods among members, once the Association debts are paid; furthermore, he/she will have the faculty to represent the Association in any proceeding it may be a part of. ----- f) The Governing Body is authorized to dedicate funds and goods of the Association on payment of a reasonable compensation to the liquidator for his services, and can remove the liquidator and fill any vacancy that occurs from that position, whether it be temporary or permanent. -----g) The liquidator of the Association must make available the remainder of the funds of the Association to be utilized for the pursuit of goals and objectives similar to those established in the present Bylaws. -----

**ARTICLE XVI General Dispositions** ----- a) All the Directors and Dignitaries and all of the members of any committee of the Association can be re-elected without periods of limitations to whatever they can handle. -----  
 b) The Governing Body will have the power to designate any committee or sub-committee and the members of same, who they find convenient to designate, to regulate its faculties, objectives, functions and activities of said committee that are not contrary or inconsistent with the dispositions of the Bylaws and the faculties and activities of other committees established by means of these Bylaws. -----

**ARTICLE XVII Transitory Dispositions** -----a) The Association will replace the Group Insurance Board of the Panama Canal Area, an association recognized under the Laws of the United States of America, and will come into effect the Governing Body of said Group Insurance Board approves same. -----b) A Provisional Governing Body, which will consist of total amount of Directors elected and designated of the Governing Body of the Group Insurance Board, will exercise all powers and will comply with all the established requirements of Article IV, from the day the Association is officially registered in the offices of the Public Registry of Panama, until December 31, 1998. ----- c) The Provisional Governing Body will elect a Provisional Elections Committee made up Three (3) persons, who will comply with all the requirements and will have all of the faculties established in Article XI, to carry out and oversee the general elections which should take place in November 1998.-----d) All reference or inference in the present Bylaws referring to the masculine gender will include in reference the feminine gender, and all reference made in the singular will include the plural. ----- e) By this means the Panamanian law firm **ILLUECA AND ASSOCIATES**, with domicile located at 52<sup>nd</sup> Street, No. 17 Bella Vista, Panama City, is designated and authorized to solicit previous authorization from the Ministry of Government and Justice, to protocolize these Bylaws before a Notary Public and to register same in the Office of the Public Registry of the Republic of Panama. ----- f) The present Bylaws will be expedited in two original versions, one in the English language and the other in the Spanish language. Nevertheless, the Spanish version will govern the matters of the Association and its text will be the official text of the present Bylaws. The aforementioned Bylaws were duly approved by the Governing Body of the Association, in the meeting held in the City of Panama on July 20, 1998 and modified accordingly in the meeting held on October 20, 1998. -----

The President, ----- The Secretary, -----

(Signed) Julio C. Cisneros ----- Vanessa De Gracia --- personal identification card 8-192-954 ---

This is a true copy of the original (Signature illegible) Office of the Legal Advisor. There is a stamp which reads: Republic of Panama, Ministry of Government and Justice, Legal Advisor -----

**Members of the Provisional Governing Body of the ASSOCIATION OF RETIREES' PANAMA CANAL AREA AND MILITARY BASES OF THE UNITED STATES IN PANAMA** -----

-----Name----- Signature -----Personal ID card /pass no.

- |                          |                               |            |
|--------------------------|-------------------------------|------------|
| 1. WALTER BOTTIN         | (Signed) WALTER BOTTIN        | E-8-15155  |
| 2. JULIO A. CISNEROS     | (Signed) JULIO A. CISNEROS    | 8-120-402  |
| 3. VANESSA DE GRACIA     | (Signed) VANESSA DE GRACIA    | 8-192-954  |
| 4. ANTONIO A. GRENALD    | (Signed) ANTONIO A. GRENALD   | 3-43-150   |
| 5. LINA A. BOZA          | (Signed) LINA A. BOZA         | 8-168-726  |
| 6. JORGE L. QUIJANO      | (Signed) JORGE L. QUIJANO     | 8-310-490  |
| 7. GEORGE F. BRATHWAITE  | (Signed) GEORGE F. BRATHWAITE | 8-426-472  |
| 8. MIGUEL MACHADO        | (Signed) MIGUEL MACHADO       | 3-85-2681  |
| 9. CARLOS A. PAYNE       | (Signed) CARLOS A. PAYNE      | 8-80-705   |
| 10. JOSE A. CLAUS        | (Signed) JOSE A. CLAUS        | 3-31-110   |
| 11. NORIS E. LOPEZ       | (Signed) NORIS E. LOPEZ       | 8-204-2215 |
| 12. RICHARD S. ZORNES    | (Signed) RICHARD S. ZORNES    | 199796     |
| 13. GLADYS DIAZ-SAARINEN | (Signed) GLADYS DIAZ-SAARINEN | 8-128-766  |
| 14. SAMUEL A MCGUINESS   | (Signed) SAMUEL A MCGUINESS   | 8-421-51   |
| 15. BARBARA B. LEDEZMA   | (Signed) BARBARA B. LEDEZMA   | E-8-27923  |
| 16. FRANKLIN BOTELLO     | (Signed) FRANKLIN BOTELLO     | 8-181-569  |
| 17. JACINTO J. HOLNES    | (Signed) JACINTO J. HOLNES    | 3-66-1190  |
| 18. JOHN T. BOWMAN       | (Signed) JOHN T. BOWMAN       | IP 350761  |
| 19. THOMAS E. PIERCE     | (Signed) THOMAS E. PIERCE     | E-8-26038  |
| 20. DALYS G. DE SOLIS    | (Signed) DALYS G. DE SOLIS    | 1-20-822   |
| 21. ALFREDO SHOY         | (Signed) ALFREDO SHOY         | 3-43-70    |

- 22. ROBERT URQUHART (Signed) ROBERT URQUHART 3-12-871
- 23. OSCAR BROOKS JR. (Signed) OSCAR BROOKS JR. 3-11-718
- 24. TEODOSIO BERNAL (Signed) TEOSODIO BERNAL 4-66-910
- 25. SAMUEL E. JIMENEZ (Signed) SAMUEL E. JIMENEZ 8-187-137

This is a true copy of the original. (Signature illegible) Office of the Legal Advisor. There is a seal which reads:  
Office of the Legal Advisor. Ministry of Government and Justice. -----

**MISTER MINISTER OF GOVERNMENT AND JUSTICE:** We, **LLUECA AND ASSOCIATES**, practicing attorneys, with offices on 52<sup>nd</sup> Street, No. 17, Bella Vista, Panama City, Republic of Panama, the place where we receive personal notifications, with our Special Power of Attorney from the **ASSOCIATION OF RETIREES' PANAMA CANAL AREA AND MILITARY BASES OF THE UNITED STATES IN PANAMA**, of which **Mr. WALTER C. BOTIN**, already recognized in the preceding Power of Attorney, agreeing with due respect to your office, with the purpose of requesting legally, that you extend the corresponding Legal Status to the **ASSOCIATION OF RETIREES' PANAMA CANAL AREA AND MILITARY BASES OF THE UNITED STATES IN PANAMA.....**

**WE BASE OUR REQUEST ON THE FOLLOWING: FIRST:** That with the approval of the Panama Canal Treaty of 1977, the Torrijos-Carter Treaty, to revert the Panama Canal to the Republic of Panama and consequently the disappearance of the Panama Canal Commission, a federal organization of the United States of America, which replaced the Panama Canal Company and the Canal Zone Government. -----**SECOND:** That there is a large number of persons that worked in the institutions replaced by the Panama Canal Commission and actually work in the Panama Canal Commission that are favored under the group health benefit plan of the United States of America Federal Government. ----- **THIRD:** That these persons have constituted a non-profit association, recognized by the Federal Government of United States of America, denominated Group Insurance Board, which is dedicated since its founding, to the supervision and promotion, in name of the association, of its group health benefit plan of which the members are the beneficiaries...with the reversion of the Panama Canal on December 31, 1999. ----- **FOURTH:** and the consequential disappearance of the Panama Canal Commission, the benefits of health and group insurance that is offered by the Federal Government of the United States of America to this large amount of members of the Group Insurance Board, will continue to be offered to the members. ----**FIFTH:** That, therefore, it is necessary to establish a non-profit association, recognized by the Government of the Republic of Panama, to replace the Group Insurance Board assuring the continuity and to operate in the Republic of Panama for the benefit of all the members, since the great majority of these members of the Group Insurance Board reside in the Republic of Panama. -----**SIXTH:** That the objective is to replace the Group Insurance Board and assure the continuity of the same, the Governing Body of the Insurance Board, highest ranking authority of this association denominated **ASSOCIATION OF RETIREES' PANAMA CANAL AREA AND MILITARY BASES OF THE UNITED STATES IN PANAMA**, and submit the same for approval and scrutiny of the authorities of the Republic of Panama. ----- **SEVENTH:** That the **ASSOCIATION OF RETIREES' PANAMA CANAL AREA AND MILITARY BASES OF THE UNITED STATES IN PANAMA** is a private non-profit Association, whose main objective is to join the forces of the members for the purpose of protecting their health benefits. ----- **EIGHTH:** that the **ASSOCIATION OF RETIREES' PANAMA CANAL AREA AND MILITARY BASES OF THE UNITED STATES IN PANAMA**, has complied with all the requirements to obtain the corresponding **LEGAL STATUS** recognition. -----

**ACCOMPANYING DOCUMENTS:** 1. Minutes of the meeting the Founding Constituents. -----  
2. Document of the approval of the Bylaws of the Association ---- 3. Approved Bylaws ----- 4. List and signature of each member of the Provisional Governing Body of the Association. -----

**RIGHTS:** Article 39 of the Political Constitution of the Republic of Panama, Article 64 ordinal 5 and 69 of the Civil Code and Article 14 of Law 33 of November 8, 1984. Panama, July 29, 1998. ---  
Jose A. Brenes Tovar -----Personal Identification Card No. 4-243-158

This is a true copy of the original. (Signature illegible) Office of the Legal Advisor. There is a seal which reads:  
Office of the Legal Advisor. Ministry of Government and Justice.

--- **REPUBLIC OF PANAMA** ----**MINISTRY OF GOVERNMENT AND JUSTICE** -----  
Resolve No. 198-PJ-103 -----Panama, May 17, 1999

-----**LEGAL STATUS**-----

By means of a Legal Power of Attorney, **WALTER C. BOTTIN**, adult, male, US citizen, holder of personal identification card No. E-8-15155, resident of Balboa, Ancon, Panama City, in his capacity as President and Legal Representative of the entity denominated **ASSOCIATION OF RETIREES' PANAMA CANAL AREA AND MILITARY BASES OF THE UNITED STATES IN PANAMA**, request of the Ministry of Government and Justice to be recognized as a **LEGAL PERSON** ----- This request is accompanied with the following documents: a) Minutes of Constitution -----b) Minutes of Approval of Bylaws ----b) Approved Bylaws -----d) List of Members of the Board of Directors-----

From the documents presented, it is established that the entity is not profit seeking and their objectives, among other things, is to “Unify the forces of the members for the purpose of caring for the health and benefits. To carry out this objective the Association could patronize and supervise a group benefit program and could patronize and/or supervise, within the legal and contractual limits respectively, any other social program, financial, and of benefits that are considered beneficial to the needs and desires of the members; along with carrying out the necessary actions to for the purpose of protecting the interests of the members.” Since these objectives are not contrary to the political Constitution neither of the Republic of Panama, nor of the current legal dispositions that govern the matter, access is given to the request, ----- Therefore, -----

**THE MINISTER OF GOVERNMENT AND JUSTICE**, with the use of her legal faculties,

**RESOLVE: APPROVAL** of the Bylaws of the entity denominated **ASSOCIATION OF RETIREES' PANAMA CANAL AREA AND MILITARY BASES OF THE UNITED STATES IN PANAMA** and recognizes their Legal Status .-----

All posterior modification of the Bylaws must be submitted for previous approval from the Minister of Government and Justice. -----The Legal Status conceded does not support activities different from the ones indicated in the approved Bylaws. ----- This Resolution will show its legal effects as soon as it is inscribed in the Public Registry. -----

**LEGAL BASIS:** Political Constitution of the Republic of Panama, Article 39; Civil Coded, Articles 64 and 69 and Articles 14 of Law no. 33 of November 8, 1984. -----NOTIFY AND COMPLY -----

(Signed) **MARIELA SAGEL**, Minister of Government and Justice

(Signed) **ROLANDO E. MEJIA**, Vice-Minister of Government and Justice -----

This is a true copy of the original (Signature illegible), Directorate of Legal Advisor There is a stamp which reads: Republic of Panama.

This first copy concurs with the originals, given, stamped and signed in the City of Panama, June first (1<sup>st</sup>) 1999.  
**THIS DOCUMENT IS MADE UP OF THIRTEEN (13) PAGES** (Signed) **NOEMI MORENO ALBA**, Tenth Notary Public

**Translator's Note:** Document bears the seal (over stamped) of the Public Registry of the Republic of Panama along with two other stamps from the Public Registry along with one stamp of “REGISTRY” signed by the Chief of the Section.

**THE UNDERSIGNED, AUTHORIZED PUBLIC INTERPRETER, CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT TRANSLATION OF THE ORIGINAL DOCUMENT GIVEN IN THE SPANISH LANGUAGE**