

APPENDIX

CONDOMINIUM PROPERTY REGIME LAW FOR THE FEDERAL DISTRICT. ⁽¹⁾

LUIS ECHEVERRIA ALVAREZ, Constitutional President of the United Mexican States, let it be known to its residents: That the honorable Federal Congress, has sent me the following :

DECREE:

“The Congress of the United Mexican decrees:

CONDOMINIUM PROPERTY REGIME LAW FOR THE FEDERAL DISTRICT

CHAPTER I

Of The Condominium Regime System

Article 1.- When the different apartments, dwellings, houses or premises of an estate, constructed vertically, horizontally or a mixture of both, likely to be used independently by having an exit on their own to a common element of such or to that of the public thoroughfare, belonging to different owners, each one of these owners will have a singular and exclusive right of property on his/her apartment, dwelling, house or premise; also will have a co-ownership right on the common elements and parts of the estate, necessary for its proper use and enjoyment.

Each owner will be able to transfer ownership, mortgage or lien in any form, his/her apartment, dwelling, house or premise, without the need of the consent of the other homeowners. It will be understood that in the transfer of ownership, lien or seizure of an apartment, dwelling, house or premise, the rights on the common assets that are attached to this apartment, dwelling, house or premise will be invariably included.

The Co-ownership right on the common elements of the estate, could only be transferred, encumbered, or seizable by third parties, together with the apartment, dwelling, house or premise of exclusive property (ownership), in regard to which it is considered as an inseparable addition. The Co-ownership on the common elements of the estate is not susceptible of being divided.

The rights and obligations of the owners referred to herein, will be governed by the Deed on which the condominium regime system was incorporated, by those deeds containing the corresponding purchase-and-sale agreement, by the bylaws of the condominium accordingly, and by the dispositions of the Civil Code current in the Federal District, by this Law and by the other applicable laws.

Article 2.- The condominium regime system can be created:

I. When the different apartments, dwellings, houses or premises forming a building, or built within the estate with parts of common use belonging to different owners.

II. When the different apartments, dwellings, houses or premises built within an estate are used for the transfer of ownership to different persons; but this estate has common and indivisible elements, which private property is reserved

pursuant to the terms of the previous article.

- III. When the owner or owners of an estate divide it in different apartments, dwellings, houses or premises to be transferred to different persons, as long as there exists a common element of private ownership that is indivisible.

Article 3.- Prior to the constitution of the condominium regime system mentioned in the following article, the interested owners must obtain a declaration (statement) issued by the competent authorities of the Department of the Federal District accordingly, said statement shall indicate that the general project is capable of execution as it contains and is conformed pursuant to the dispositions and systems established, as well as having the legal dispositions on urban development, urban planning and rendering of public services (utilities); understanding that this declaration will not imply that the obligations contained on article II of the following article have been complied, among which will be the provision of granting construction licenses up to a maximum number of 120 apartments, dwellings, houses or premises per Condominium, even if this and others are part of a development or residential community.

Article 4.- In order to constitute the condominium regime system, the owner or owners must state their will on a public Deed. This public Deed must contain the following:

- I. The situation, measurements and boundaries of the land corresponding to the Condominium, with a precise specification of its separation from the rest of the areas, mentioning if it is located within a development or residential community. Also, when referring to extensive constructions, the deed should mention the limits of the buildings or of the wings or sections to constitute by themselves independent condominiums, whereas the location and number of co-properties causes the separation of the condominiums in different groups;
- II. A proof to have obtained the declaration (statement) referred to in the previous article and that the licenses, authorizations and urban construction permits have been issued by the competent authorities, as well as the authorization issued from the Health Department, required for this type of works;
- III. A general description of the constructions and the quality of the materials used for the construction, or that will be used for the construction.
- IV. A description of each apartment, dwelling, house or premise; their number, situation, measurements, number of rooms, space for parking of vehicles; if any, and other information necessary for identification;
- V. The nominal value was assigned to each for the effects of this Law; and the percentage corresponding to such apartment, dwelling, house or premise on the total nominal value of the parts of the Condominium;
- VI. The general use of the Condominium, and the special use of each apartment, dwelling, house or premise;
- VII. The common property assets (goods), their use, with the specification and necessary details and, if any, their situation, measurements of the parts conforming them, characteristics, and other necessary information for identification of these assets;
- VIII. Characteristics of the bond policy shown by the obligors, to respond for the execution of the construction and the flaws on it. The amount of the bond and the term of the same must be determined by the authorities issuing the construction license;
- IX. The events and conditions in which the Deed can be modified.

The certification of the Notary Public, the general drawing and the drawings corresponding to each one of the apartments, dwellings, houses or premises and those for the common elements; as well as the bylaws for the Condominium must be attached to the appendix of the Deed.

The previous documentation and other documentation deemed as necessary, will be delivered to the Administrator in photocopies duly certified by the Notary, in order for the Administrator to perform his/her job.

Article 5.- The Deed containing the Constitution of the condominium regime system, containing the legal requirements, must be registered at the Public Registry of Property Records.

Article 6.- The proper statements and clauses of the Deed of Incorporation foreseen in Article 4 hereto, must be inserted in all the contracts executed for the acquisition of the rights on an apartment, dwelling, house or premise, subject to the condominium regime system. It must also be recorded that a Notary Certified photocopy of the Condominium Bylaws was delivered to the interested party.

Article 7.- The voluntary extinction of the condominium regime system must be approved by the resolution of at least a minimum of 75% of the homeowners, unless the Deed of Incorporation of the Regime foresees a higher percentage. At all cases, the legal regulations on planning, development or urban regeneration must be complied, as well as other legal dispositions that could apply, under responsibility of the Notary Public, and of the Public Registry of Property Records, accordingly.

Article 8.- The Condominium Bylaws could foresee the cases on which the Deed of Incorporation could be amended, based in the Law and in the corresponding Deed of Incorporation itself.

Article 9.- The constitution of the condominium regime system as well as the urban Regeneration on the Federal District is decreed as public service use.

The corresponding Declaration of Urban Regeneration, in order to have legal effects must be published in the Official Gazette of the Federation, and also published in the most important newspapers, it would cause the termination of the existing lease contracts, which if not accepted by the interested parties, could only be declared by Judicial authority. The indemnification to be paid to the owners or lessees, as well as the other rights and obligations of one and others derived from the Declaration, will be governed with the participation and approval of the competent authorities in the Federal District among the interested parties, the official agencies in charge of the regeneration projects and the businessmen authorized to execute these projects, pursuant to the applicable legal dispositions.

The Department of the Federal District could take the administrative means to ease and promote the construction of condominiums. The owners of land located in zones of urban regeneration, at the time of building on this land will be exempted from the rights of construction and cooperation established by the corresponding laws.

Those who have the capacity of lessees of the apartments, dwellings, houses or premises existing on land located within a zone of urban regeneration, will have the right of first refusal to become homeowners or to keep their condition as lessees. If they decide to stay as lessees, they must be subject to new lease contracts, in the condominiums built on this zone.

Article 10.- The parties on the contracts for the acquisition of apartments, dwellings, houses or premises in the condominiums of urban regeneration will be exempted from the ownership transfer tax, and the Government of the Federal District could take any proper steps to benefit them.

CHAPTER II

Of the goods of exclusive property and the goods of common property

Article 11.- It will be understood as homeowner the individual or corporation, who in his capacity as an owner is in possession of one or more apartments, dwellings, houses or premises referred to in article 1 herein, and for the effects of this Law, also would be considered as homeowner the individual or corporation who executed a contract through which, if complied in full, will become an owner.

The homeowner will have the exclusive right to his/her apartment, dwelling, house or premise, and co-ownership rights to the elements and parts of the Condominium that are considered as common goods.

Article 12.- The right of each homeowner on the common goods, will be proportional to the value of his/her exclusive property, established in the Deed of Incorporation for this effect.

Article 13.- The following are object of common property:

- I. The land, basements, foyers, entrance gates, lobbies, halls, galleries, stairs, patios, gardens, interior sidewalks and streets, spaces designated as parking areas in the construction licenses sufficient to park vehicles; as long as all these areas are for the general use;
- II. The premises destined for the Administration, Concierge, and concierge's and guards lodge or office; plus those premises destined for the general facilities and common services;
- III. The works, installations, devices and other objects commonly used, such as septic tanks, wells, cisterns, tubs, elevators, winch, incinerators, stoves, ovens, pumps and engines; drains, channels, water distribution conduits, sewage, heating, electric energy and gas; the premises and the works for safety, decoration and similar, places for social gathering and similar, with the exception of those works which are exclusively for the use of each apartment, dwelling, house or premise;
- IV. The foundations, structures, bearing walls and the roofs of general use, and
- V. Any other part of the estate, premises, works, devices, or installations established as common assets by the unanimous vote of the homeowners, or established by the Condominium Bylaws or the Deed of Incorporation.

Article 14.- The upper floors, walls and other divisions separating the apartments, dwellings, houses or premises, will be of common property only for the adjacent homeowners.

Article 15.- Even if a homeowner abandons his/her rights or waives to use specific common goods, he/she will continue liable of the obligations imposed by this Law, by the Deed of Incorporation, by the Condominium Bylaws and by any other applicable legal disposition.

Article 16.- Each homeowner could use the common goods and to enjoy the services and general facilities pursuant to their nature and ordinary use, without restricting or making onerous the right of the rest of the homeowners.

Article 17.- The homeowner of an apartment, dwelling, house or premise, can use, enjoy and make use of it, with the limitations and prohibitions of this Law and those established by the Deed of Incorporation and the Condominium Bylaws; but part of these such as pieces or bedrooms, service rooms, or parking space for vehicles cannot be subject to sale or lease. The default to this regulation could cause, accordingly, either the rescission of the contract, or the enforcement of article 38.

The homeowner and his/her lessee (tenant) or any other assignee of the use, will arrange among them who has to comply certain obligations before the other homeowners, and the cases on which the user will have the representation of the homeowner in the Assemblies to be executed; but at all cases, the homeowner is equally liable with the obligations of the user. Both the homeowner and the tenant must inform the Administrator of each case in a timely fashion, for all the corresponding effects.

Article 18.- In regard to those condominiums financed or built by official agencies (government), these will institute the rules of the exercise of the right of first refusal referred to in article 9. The same bylaws will foresee a second-option preference in favor of another type of tenants who are occupying the apartment, dwelling, house or premise, within the area already regenerated.

The transferring of the rights of any of the homeowners will not be subject to the right of preference in favor of the other homeowners. This right of first refusal it is established exclusively in first place in favor to the tenant who is current with his/her obligations, and who has occupied the apartment, dwelling, house or premise for over a year with that same capacity; and in second place will be in favor of the official agencies who have built or financed the Condominium.

Article 19.- In case than an owner wishes to sell his/her apartment, dwelling, house or premise, he/she will inform the tenant and the official agency, if any, that financed or built the condominium. This notice could be made through the administrator of the estate, a Notary Public or judicial notice, stating the price offered and other conditions of the operation; so that the tenant, in a term of ten days following the date of the notice, manifests if he/she will be using the first-option right.

Article 20.- If the apartment, dwelling, house or premise is transferred in violation of the regulation established in the previous article, the tenant or the official institution that financed or constructed the Condominium, could substitute himself/herself or itself in place of the acquirer, with the same conditions established in the purchase and sale contract, as long as he/she/it exercised the right of retraction, showing the price, within the 15 days following the date on which the tenant or the official institution found out about the transferring. The notary public or those acting in this capacity, will refrain themselves from authorizing the purchase-and-sale deed under this nature, if they do not attest that the seller has respected the first-option right. If the notice has been done through the Administrator of the estate, he or she must prove doubtlessly before the Notary Public or whoever is acting in this capacity, the day and the time on which the notice referred to in the previous article was made.

Article 21.-It is forbidden for one person to acquire more than one apartment, dwelling, house or premised in the condominiums financed or built by official institutions, except if those apartments, dwellings, houses or premises are occupied

by members of the same family. The herein regulation will cause, accordingly, either the rescission of the contract or the enforcement of the regulation established in article 38.

Article 22.- Each homeowner or occupant will use his/her apartment, dwelling, house or premise in an orderly and tranquil manner. Therefore each homeowner or occupant cannot destine his/her apartment, dwelling, house or premise for uses contrary to morality and good customs; neither can he/she use it for different objects than those expressly agreed, and when in doubt, to those assumed from the nature of the condominium and its location; neither can he/she execute any act that could affect the tranquility of the other homeowners or occupants, or that could compromise the stability, safety, healthiness or comfort of the Condominium, nor can he/she incur in omissions that could bring forth the same results.

In regard to the services in common and general facilities, must abstain from any act, even in the interior of his/her property, that would impede or lessens its operation, or that would obstruct or make difficult its common use, being bound to maintain in good keeping and functioning its own services and facilities.

The transgressor to these regulations will be responsible of the payment of the expenses incurred to repair or to reestablish the services and facilities affected, as well as being responsible of the damages and losses caused; in addition of the enforcement of article 38 of this body of laws.

Article 23.- The homeowners of the apartment below or first, or of the last one, or of dwellings, houses or premises located in the ground floor or the last floor, will have the same rights as the other homeowners. Unless it is established in the Condominium bylaws, the homeowners of the ground floor cannot occupy for their exclusive or preferential use over the other homeowners, the lobbies, basements, gardens, patios, or other places of the ground floors, neither can they make any works on these places. Likewise, the homeowners of the upper floor cannot occupy the flat roofs or roofs; neither can they raise new floors, or any other kind of construction. The same restrictions apply for the other homeowners of the estate.

Article 24.- Each homeowner could make any kind of works and repairs in the interior part of his/her apartment, dwelling, house or premise; but any kind of innovation or amendment that could affect the structure, walls, or other essential elements of the building is forbidden, or that could damage the stability, safety, healthiness or comfort. Neither can he/she open doorways or Windows, or paint or decorate the facade or the exterior walls in such a manner that would be out of place with the development or that would damage the general aesthetic of the estate. In regards to the common services and general facilities, each homeowner must refrain himself/herself from any act; even in the interior of his/her property, that could impede or lessens its operation, and will be bound to maintain in good conditions and functioning his/her own services and facilities.

Article 25.- In the condominiums the works required to be made on the upper floors, grounds, pavement, walls or other divisions between adjacent premises will be mandatory for the corresponding homeowners and they will be responsible of the expenses.

In those Condominium built vertically, the works required to be made in the exterior part of the roofs, and in the basements, will be paid by all homeowners, as well as the repairs of the damages caused by earthquakes, lightning, or downfalls.

Article 26.- The following rules must be followed for the works executed in common goods and general facilities:

- I. The Administrator; previous obtaining of the license issued by the competent authorities of the Federal District, will be in charge of all the works necessary to maintain the condominium in good conditions of safety, stability and conservation and for the utilities to work normally and efficiently. It will be enough to have the approval of the Vigilance committee without the need to have the approval of the homeowners, and the costs, will be charged to the fund of maintenance and administration expenses. If this fund is not enough or it is necessary to make unforeseen works, the Administrator will convoke the homeowners for an Assembly, so that this Assembly, pursuant to the Condominium Bylaws resolves accordingly.
- II. The transferor is responsible for all the construction flaws of the Condominium. The rest of the homeowners will be able to repair these flaws, in the proportion each one represents on the total value of the Condominium, safeguarding their rights to sue accordingly, or to enforce the bond foreseen in article 4th, fraction VIII;
- III. In order to make works that are not necessary but that are made on a personal will; and which although translate to having a better aspect or greater comfort, do not increase the value of the Condominium; or those works that are not necessary but increase the value of the condominium; it will be necessary to have the approval of 75% of the homeowners gathered in an Assembly;
- IV. In absence of the Administrator, the homeowners could make the repairs or urgent replacements on the common goods and general facilities.

All the works that could put in danger the safety, stability and conservation, or that could affect the comfort of the Condominium, are forbidden; also those that permanently impede the use of a part or of a common service, even if only one homeowner is affected; also those work that demerit any apartment, dwelling, house or premise. In the last two cases the works could be executed, nevertheless, if there is a unanimous consent among the homeowners, and in the last case, it is also necessary to pay an indemnity to the affected party.

CHAPTER III Of the Assemblies and the administrator

Article 27.- The homeowners Assembly is the supreme body of the Condominium. Those Assemblies convoked to resolve cases as those foreseen in article 36 will be known as Assemblies of Group of homeowners. All the other Assemblies will be General. The following provisions govern for one and other.

- I. The General Assemblies must be executed at least one per year, and the General and the group Assemblies could gather as many times as they are convoked pursuant to this Law and to the Condominium Bylaws;
- II. Each homeowner will have a number of votes equal to the percentage of the value that his/her apartment, dwelling, house or premise, represents in the total of the Condominium,

III. Notwithstanding the regulation established as a general rule in the previous fraction, in the event of those homeowners placed in the second assumption of Article 11, in other words those who have executed an agreement by which once all the terms are complied would become an owner, if there is a mortgage or purchase and-sale agreement with reserve of ownership, the percentage of their votes will be reduced to the proportion of the price they have paid, and the other proportion will belong to the creditor. This regulation will only be effective if the creditors are present in the Assembly; but in order for them (the creditors) to have the right to be present and to have the right to intervene with voice and vote in the corresponding proportion, they must have the written proof issued by the Administrator and mentioned in Article 31, fraction I;

IV. The voting will be personal, nominal and direct; but the Condominium Bylaws could authorize the representation, as well as determine other forms and proceedings.

V. The resolutions taken in the Assembly will be made by a simple majority of votes, except for those cases in which this Law and the Condominium Bylaws establish a special majority.

VI. When one homeowner represents more than 50% of the votes, it will be required also, the 50% of the remaining votes for the resolution to be valid. When there is no a valid resolution, the majority homeowner or the group of the minority could submit the disagreement under the terms of article 41, empowering the minority to be represented by someone other than the Administrator.

VII. The Assemblies will be presided in the form foreseen in the Condominium Bylaws, as established by Article 34, fraction IV. The Administrator must act as the Secretary of the Assemblies, if this charge is hold by an individual; and if the Administrator is a corporation, whoever it is appointed by this corporation.

VIII. The secretary will be in charge of the Minutes Book, which must be authorized by the Government of the Federal District. The minutes, must be authorized by the secretary or by the Notary Public, by the President of the Assembly and by the President of the Vigilance Committee or whoever substitutes him/her;

IX. The Secretary must have at sight of the registered homeowners and creditors, the Minutes Book, and must inform each one of them, in writing, of the resolutions taken by the Assembly.

Article 28.- The summons for the execution of the Assemblies must be made pursuant to the terms of fraction XII of Article 31 of this Law.

When the Assembly is executed at first call, a quorum of 90% of the voters will be required; when the Assembly is executed on second call, the quorum should be of at least 51 % of the voters. If the Assembly is executed on third call, the majority of those who are present will approve the resolutions.

The resolutions adopted by the Assemblies pursuant to the terms of this Law, of the Condominium Bylaws and of the other applicable regulations, are mandatory for all the homeowners, including those who are absent or dissident.

Article 29.- The Assembly will have the following abilities:

- I. To appoint and remove the Administrator without restraint, pursuant to the terms of the Condominium bylaws, except for those Administrators who are serving for the first year, who will be appointed by those who constituted the Deed of Incorporation. The Administrator could be or not any of the homeowners, and the Assembly of the homeowners will set the corresponding consideration. The homeowner appointed as Administrator could waive to the consideration if he/she accepts to serve in the position for free;
- II. To indicate the liabilities in charge of the Administrator before third parties, and those liabilities in charge of the homeowners, derived from the acting of the former, executed in or by the fulfillment of the position as Administrator;
- III. Under the terms of the previous two fractions, to appoint and to remove the Vigilance Committee, which could be constituted with one person and up to three.
- IV. To resolve about the class and the amount of the guarantee that should be granted by the Administrator in regard to his/her faithful performance in the charge, and to the handling of the funds under his/her care, both for the maintenance and for the Administration, as well as of the reserve fund for replacement of implements.
- V. To examine, and if applicable, approve the annual statement submitted by the Administrator for approval;
- VI. To Discuss, and if applicable, to approve the budget of the expenses for the following year;
- VII. To establish the dues in charge of the homeowners to constitute a fund for the maintenance and administration expenses; and another fund for reserves, to be used for the acquisition or replacement of implements (tools) and machinery for the Condominium. The payment could be divided into monthly installments, to be paid in advance. The amount of these funds will be formed in proportion to the value of each apartment, dwelling, house or premise established in the Deed of Incorporation, as foreseen in Article 4, fraction V. The first contributions for the constitution of both funds will be determined in the Condominium Bylaws. The reserve fund, while not in use, must be invested in fixed rent values redeemable upon presentment. The fund to be used for maintenance and administration shall be sufficient to have in advance the cash to cover for the expenses of three months;
- VIII. To promote accordingly before the competent authorities when the Administrator breaches this Law, the Condominium Bylaws, the Deed of Incorporation and any other applicable legal disposition;
- IX. To instruct the Administrator for the compliance of the regulation set forth in Article 13, fraction II;
- X. To take the proper steps on the matters of common interests not foreseen within the abilities granted to the Administrator;
- XI. To amend the Deed of Incorporation of the Condominium, and its bylaws, in the cases and conditions foreseen in one and another, within the applicable legal regulations.

XII. Any other conferred to the Assembly by this Law, by the Condominium Bylaws, by the Deed of incorporation and any other applicable legal regulations.

Article 30.- The condominiums will be managed by the individual or corporation appointed by the Assembly under the terms of this Law and of the Condominium Bylaws.

Article 31.- The Administrator will be in charge of:

- I. To keep a book for the registration of the creditors who have informed within the first month after the constitution of the credit or in January of every year, their decision to be present at the Assemblies. The previous to comply with the regulation established in article 27, fraction III,; this Book must be duly authorized by the Government of the Federal District, In this registration book will be recorded the agreement between the creditor and the debtor about the outstanding balances to be paid, and in case of disagreement or the disclaimer of the debtor to manifest his will, the Vigilante Committee will determine which balances must be recorded; indicating the proportion of the votes attributable to the apartment, dwelling, house or premise corresponding to the creditor and to the debtor. This registration will only be effective for the quarter in which they take place, and the Administrator will issue a written proof to the creditors who are interested.
- II. To look after and watch over the assets of the Condominium and the common services, and to promote the integration, organization and development of the Community. Among the common services are included those that at the same time are common to other condominiums or to neighbors of single-family homes, whenever located within a development or residential community; and that are buildings, wings or sections of an extensive construction. The rendering of these services and the problems arisen by virtue of the contiguity of the Condominium with others or with the neighbors of single-family homes, will be resolved at the corresponding Assembly; the Administrator or the person appointed for this effect will have the representation of the affected homeowners. These Assemblies will be governed by the association of administrators or by Condominium's and Neighbor's Representatives to be constituted.
- III. To obtain and to keep the books and the documentation related to the Condominium. The homeowners at all time could check the books and the documentation.
- IV. To take care of the operation of the facilities and general services;
- V. To execute all acts for administration and conservation;
- VI. To execute all necessary works under the terms of fraction I of article 26 of this Law;
- VII. To execute the resolutions of the Assembly, unless the Assembly appoints somebody else;
- VIII. To collect from the homeowners the dues corresponding to each one as a contribution to the funds of maintenance and administration; and the

reserve fund.

- IX. To make the expenses for the maintenance and administration of the Condominium with charge to the corresponding fund, under the terms of the Condominium Bylaws.
- X. To give each homeowner a receipt for the amounts they have contributed in the previous month for the funds of maintenance and administration, and for the reserve one. These receipts will express, accordingly, the balance in charge of each homeowner.
- XI. To monthly deliver to each homeowner a statement, with acknowledgment of receipt, this receipt must show the following:
 - a) A detailed list of the expenses of the previous month, with charge to the maintenance and administration fund;
 - b) A consolidated statement showing the amounts of the contributions and of the dues not fully paid. The Administrator will have a list available for the homeowners who are interested, showing the amounts that each homeowner contributed to the funds for maintenance and administration, and for the reserve fund, expressing the amount of dues pending to be collected.
 - c) Balance of the maintenance and administration fund, and purposes for which it will be used on the subsequent month; or to any of the following branches:

The homeowner will have a term of 5 days counted from the date of delivery of said documentation to make the necessary remarks or objections he/she deems convenient. Once this 5-day term has elapsed, it will be considered that he/she agrees with the documentation, subject to the approval by the Assembly pursuant to the terms of fraction V of article 29.

XII. To convoke (notice to) to the Assemblies at least ten days in advance to the date of the execution of the same, indicating the place within the Condominium or the place indicated by the Condominium Bylaws, as well as indicating the day and hour in which the Assembly will be held, including the agenda of the day. The homeowners and registered creditors or the representatives will be summoned by means of a written notice, at the place they established for this effect.

Besides of making the notice indicated in the previous paragraph, the Administrator will place the notice to the Assembly in or more visible places of the Condominium.

The homeowners and registered creditors could convoke to Assemblies without participation of the Administrator, as long as they prove before a competent judge or before a legal authority, that they represent at least one fourth of the value of the Condominium. The Vigilance Committee could also convoke to the Assembly, as foreseen in the following article.

In the cases of extreme urgency, the Assembly will be convoked with the anticipation the circumstances require.

XIII. With the representation of the other homeowners, to demand from the transgressor of Article 24 the liabilities in which he/she incurs.

XIV. To look after the due obedience of the Regulations of this Law, of the Condominium Bylaws, and of the Deed of Incorporation;

XV. To execute all other tasks and comply with the obligations established at his/her charge by the Law, the Condominium Bylaws, the Deed of Incorporation and other legal regulations applicable.

Article 32.- The Vigilance Committee will have the following abilities and duties:

- I. To make sure that the Administrator complies with the resolutions of the General Assembly;
- II. To verify that the Administrator complies with the tasks entrusted by the previous article.
- III. To resolve as deemed necessary, in the cases foreseen in fraction I of the previous article;
- IV. To give its consent, accordingly, for the execution of the works referred to in Article 26, fraction I .
- V. To verify the bank statements presented to the Assembly by the Administrator;
- VI. To verify the investment of the reserve fund for the acquisition or replacement of implements (tools) and machinery;
- VII. To present and justify accounts to the Assembly regarding its remarks on the Administration of the Condominium.
- VIII. To inform the Assembly of the verification it makes about default of the homeowners presented by the Administrator.
- IX. To assist the Administrator in observations to the homeowners on the compliance of their obligations.
- X. To convoke the Assembly of homeowners when the Administrator at its request does not do so within the next three days. Also, when the Vigilance Committee deems it necessary to inform the Assembly about irregularities incurred by the Administrator, giving proper notice to the Administrator for him/her to be present at the corresponding Assembly.
- XI. Any other derived from this Law and from the application of other imposing duties at its charge, as well as those derived from the Deed of Incorporation, and from the Condominium Bylaws.

Article 33.- In regard to the common goods of the Condominium, the Administrator will have the abilities of representation of a general attorney-in-fact of the homeowners, to manage goods and for litigation and collection, with abilities to answer interrogatories; but It will be necessary to have favorable resolution of the homeowners that at an Assembly represent at least 51% of the homeowners in order to grant the Administrator other special abilities and those that require special clause.

The steps taken by the Administrator and the resolutions dictated by him/her within his/her abilities and based in the Law and the Condominium Bylaws, will be mandatory for all homeowners. The assembly, by the majority established in the Condominium Bylaws, could modify or revoke said abilities.

CHAPTER V
Bylaws of the Condominium

Article 34.- The Condominium Bylaws will contain at least the following information:

- I. The rights and obligations of the homeowners referred to the goods of common use, specifying these last ones; as well as the limitation of the exercise of the right to use said goods and the own;
- II. The proper steps for the better administration, maintenance and operation of the Condominium;
- III. The necessary regulations provided for the integration, organization and development of the community.
- IV. The manner in which the homeowners Assembly must be convoked, and the person who will preside the same;
- V. The manner to appoint the Administrator and the abilities granted to him/her;
- VI. The requirements to be met by the Administrator;
- VII. Basis of remuneration for the Administrator;
- VIII. Circumstances in which the administration can be removed;
- IX. The matters foreseen in the last four fractions in regard to the Vigilance Committee;
- X. The matters reserved by the Deed of Incorporation and this Law.

CHAPTER V
Of the expenses, fiscal obligations and controversies

Article 35.- The contribution of the homeowners to the constitution of the administration and maintenance funds, and to the reserve fund, must be made pursuant to article 29, fraction VII hereto.

Article 36.- When a Condominium has different parts, and includes, for example, several stairs, patios, gardens, works and installations destined to only serve one part of the Development, the corresponding special expenses will be in charge of the group of homeowners who were benefited. The same will apply also in the case of stairs, elevators, winches and other elements, devices or installations. The Condominium Bylaws could establish special rules for the distribution of the expenses.

Article 37.- The dues for common expenses not paid monthly by the homeowners, will cause interest at the legal rate, or at the rate established by the Condominium Bylaws.

The condition of settlement of accounts, interest on arrears and conventional penalty established by the Condominium Bylaws has statutory summary proceeding request through the executory civil proceeding. In order to exercise this statutory proceeding it has to be subscribed by the Administrator and by the President of the Vigilance Committee, or by whoever is substituting the president. The corresponding receipts pending of payment have to be attached, as well as a photocopy of the specific part of the Minutes of the Assembly or of the Condominium Bylaws accordingly, in which it is established the dues to be collected by the homeowners for the administration and maintenance funds, and for the reserve fund. This photocopy has to be certified by the same officers subscribing the document. This action could only be exercised when there are three receipts pending to be paid.

The Condominium Bylaws could establish that when any homeowner is in delay of payment, the Administrator will distribute the amount of the debt, and the amount

accrued, among the rest of the homeowners, in proportion to the value of their properties, until the debt is paid. Once the debt is recovered, the Administrator will reimburse to the homeowners affected by this debt, the amounts they had contributed, plus the interest in the proportional part corresponding to them.

Article 38.- The homeowner that is repeatedly in default of his/her obligations, in addition to being liable for the damages and losses caused to the others, could also be sued to force him/her to sell his/her rights even in public auction; respecting the right of first refusal and the preferential right. The exercise of this action will be resolved in a homeowners Assembly by favorable approval of those homeowners representing a minimum of 75% of the homeowners.

Article 39.- If the one in default of the obligations is an occupant who is not an owner, the Administrator previous consent of the homeowner, will demand the vacation of the apartment, dwelling, house or premise.

If the homeowner is against this measurement, legal action will proceed against him/her and the occupant, under the term of the previous article.

Article 40.- Regardless of the payment of the property tax of their exclusive property and of the part corresponding to them in regard to the common goods, the homeowners will pay also any other tax or duties derived from the Condominium.

Article 41.- The controversies arisen by the interpretation and application of this Law, of the Condominium bylaws, and of the Deed of Incorporation and by the deed transferring ownership; as well as of the other applicable legal regulations; will be submitted to arbitration if this has been foreseen in the Condominium bylaws, or to the competent courts.

CHAPTER VI Of the liens

Article 42.- The liens are divisible among the different apartments, dwellings, houses or premises of a Condominium.

Each one of the homeowners will respond only for the lien corresponding to his/her property. Any clause establishing severability or joint and several liability of the owners to respond for a lien on the estate, will be considered as voided.

Article 43.- The credits derived from the obligations contained in the Deeds of Incorporation, and those containing the transfer of ownership, by the Condominium bylaws or by this Law and other applicable legal regulations, have a collateral on property directly on the apartments, dwellings, houses or premises; even if these are transferred to third parties.

The registration of this lien at the Public Registry of Property Records, entitles all parties in interest to obtain from the Administrator and from any creditor, the settlement of the outstanding balances. The settlement of the Administrator will only have legal effects if it is subscribed by the President of the Vigilance Committee or whoever is substituting the President.

CHAPTER VII
Destruction, ruin and reconstruction of the condominium

Article 44.- If the Condominium is totally destroyed, or destroyed in a proportion representing at least three-fourths of its value; pursuant to appraisal made by the competent authorities or by financing institution, a special majority of homeowners representing at least 51% of the homeowners, could resolve on the reconstruction or the division of the land and of the remaining common goods; or in the sale of the same, pursuant to the legal regulations about planning, development or urban regeneration, and other that could apply.

If the destruction is not as severe as indicated herein, the resolutions mentioned in the previous paragraph, will be taken by a special majority of 75% of the homeowners.

If in both cases referred to in the two previous paragraphs, the resolution is in favor of the reconstruction, the homeowners in minority are bound to contribute to this in the corresponding proportion, or they could transfer their rights. The transferring could take place in favor of the majority, if this is agreed with the minority; but will be mandatory at six months at the price of the appraisal done by public intermediary or by Fiduciary Institution (Trust Institution) if within this term has not been accomplished by the minority.

Article 45.- In case of decay or antiquity of the Condominium, a special majority of 51% of the homeowners, could resolve, previous resolution made by the competent authorities, the reconstruction or demolition and division of the common goods, or the sale accordingly; following the dispositions of the previous article.

TRANSITORY ARTICLES

FIRST.- This law will become effective on the third day following the date of publication on the "official Gazette" of the Federation.

SECOND.- The co -owners of condominiums constituted prior to this law, could at any time, grant or adjust to the regulations of the same; their articles of incorporation and the deed containing the transfer of ownership rights, plus the bylaws of the condominium.

THIRD.- The law on Regimen of Ownership and Condominium of the Buildings divided in stories, apartments, dwellings or premises dated as December 2nd 1954, and published in the official gazette of the federation on the 15th day of the same month and year, and all other regulations opposed to this law are hereby derogated.

MEXICO, D.F., DECEMBER 22ND 1972 "YEAR OF JUAREZ".- Ramiro Yañez Cordova, S.P, Rafael Rodriguez Barrera; D: P.- Francisco Luna Kan, S.S. Enrique Soto Reséndiz D.S. signatures.