

TITLE I

CHAPTER I GENERAL RULES

ARTICLE 1. This Law is of public order and social interest, general observance and applicable to the Free and Sovereign State of Baja California. The purpose of this Law is to regulate the incorporation, modification, organization, operation, administration and termination of condominium regimes.

This Law regulates the relationship between the unit owners and the relationship between the unit owners and the administration of the condominium regime establishing the criteria for the resolution of any controversy that may arise as a result of said relationships, without affecting the corresponding competency of judicial or administrative authorities.

ARTICLE 2. For the purposes of this Law, the following concepts shall so be interpreted as follows:

- I. Administrator:** Unit owner or occupant of an exclusive property unit that, without being a professional administrator, is appointed the Condominium Administrator;
- II. Professional Administrator:** Person or entity that, without being a resident of the condominium, possesses sufficient capacities and knowledge pertaining condominium administration and is appointed the Condominium Administrator;

- III. Common elements:** Areas and properties that belong undivided to all unit owners. The use of any common element shall be regulated by this Law, as well as by the condominium Articles of Incorporation and By-Laws;
- IV. Meeting:** Supreme authority of the condominium regime where all unit owners meet, previous notice, for the review and resolution of common interest issues regarding the property subject to the condominium regime;
- V. Condominium:** Mode of real estate property that grants the title holder the exclusive right to access, use and enjoy a certain private unit and at the same time a right to be unit owner of the property of common use, in accordance with this Law as well as with the condominium Articles of Incorporation and By-Laws;
- VI. Unit Owner:** Public or private person or entity owner or legal title holder of an apartment, house, commercial office or store of a condominium, as well as any person who has executed a contract to become owner or trustee of a unit of the property subject to the condominium regime;
- VII. Unit ownership:** For the purposes of this Law, the condominium unit owners are unit owners of the common elements of the condominium, which belong undivided to all unit owners, expressed as an aliquot part and subject to the provisions of this Law. This ownership is not subject to division except when the condominium regime is terminated;

- VIII. Condominium Culture:** Everything that may contribute to promote actions and attitudes to allow a healthy relationship between all unit owners, as well as to fulfill the condominium regime objectives. Some of these actions and attitudes are: respect and tolerance, responsibility and compliance, participation and joint responsibility, solidarity and mutual acceptance;
- IX. Extraordinary Fee:** Amount proportional to the value of the exclusive property of the unit owner, used to pay for extraordinary expenses due to maintenance, improvement and replenishment of equipment and property, previous approval of the general meeting of unit owners;
- X. Ordinary Fee:** Amount proportional to the value of the exclusive property of the unit owner pertaining the condominium, used to pay for any administration, maintenance and operation expense in accordance with that established by the Condominium Articles of Incorporation and By-Laws;
- XI. Articles of Incorporation:** Public deed or private document, containing the manifestation of consent to incorporate the condominium regime for certain property;
- XII. Voluntary Termination:** Termination of the condominium regime;
- XIII. Law:** Condominium Property Regime Law for Properties located in the Free and Sovereign State of Baja California;
- XIV. Arbitration Center:** Municipal authority competent to resolve controversies through arbitration procedures regarding properties subject to a condominium regime;

- XV. Aliquot or undividable part:** Nominal value of each unit of exclusive property in proportion to the nominal value of all the units that integrate the condominium, expressed in a percentual amount representing the right of the unit owner over the common property, which shall be proportional to the unit regarding the value of the whole condominium;
- XVI. Arbitration Procedure:** Procedure for controversy resolution that shall seek equity between the parties and shall apply at all times the principles of legality, simplicity, celerity, officiousness, efficiency, publicity, gratuitous, and good faith. This procedure shall always be initiated with a petition from one of the parties and carried out before the corresponding arbitration tables of the Municipal Arbitration Center, same that shall possess full freedom and autonomy to issue awards and impose the sanctions stipulated in this Law;
- XVII. Petitioner:** Those requesting or initiating before the competent authorities established herein, the incorporation or modification of a Condominium Regime.
- XVIII. Condominium Rules:** Rules required for the administration of the condominium that, in addition to the condominium Articles of Incorporation, contain special policies to be respected and fulfilled by all unit owners, lease holders or whoever uses the condominium, regarding the administration, access, use or enjoyment, of exclusive and common property within the condominium;
- XIX. General Condominium Rules:** Municipal Law issued by the municipal government and applicable to any building subject to a condominium

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regime, regulating the administration of the condominium as well as the unit owners' rights and duties;

XX. Occupant: Those who as holder of any legal title, enjoy a unit of exclusive property within a condominium;

XXI. Sanction: Obligatory penalty or fine to be imposed to anyone in violation of this Law, the Civil Code for the Free and Sovereign State of Baja California, Articles of Incorporation, Ownership Transfer Agreement, Condominium Law as well as any other applicable law;

XXII. Exclusive Property Unit or Condominium Unit: House, apartment, commercial office, store, industry or land as well as the corresponding areas or elements over which the unit owner holds exclusive property rights; and

XXIII. User: Any lessee, gratuitous bailee, assignee or any other person that by any other title holds the right to access, use and enjoy the rights of the unit owner, substituting jointly and severally with the unit owner rights and duties regarding this condominium regime.

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ARTICLE 3. When several apartments, houses or premises of a property are built vertically, horizontally or both, and are susceptible to be used independently due to the existence of independent exits to a common part of the building or to a public access, and they belong to different owners, each of them shall have a singular and exclusive property right over his apartment, house, or premise, as well as a joint right over the common areas and elements of the property that are needed for the adequate use or enjoyment of the same.

Each owner shall have the right to sell, mortgage, encumber in any other way his own apartment, house or premise, without authorization of the other owners. The sale, encumbrance or seizure of an apartment, house or premises, shall always encompass the corresponding rights over the common areas and properties.

The joint right over the common elements of the property shall only be sold, seized or encumbrance by third parties, jointly with the corresponding apartment, house or premises of exclusive property, from which they are an inseparable attachment. The property right over the common elements of the condominium is undividable.

The unit owners' rights and duties referred to in this article, shall be governed by the Condominium Articles of Incorporation, the Ownership Transfer Agreement, the Condominium Law, the Civil Code for the Free and Sovereign State of Baja California, this Law as well as any other applicable law and rules.

ARTICLE 4. The condominium regime can be incorporated when:

- I.** The floors, apartments, houses commercial offices, stores or areas in one property, or that have been built within a property with common

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areas, belong to different owners or to one owner but each have a different or private use;

- II.** The floors, apartments, houses, commercial offices, stores, premises or areas built within a property with common and undividable elements and a reserved private property under the terms of the previous article, are built to be sold to different persons;
- III.** The owner(s) of one property divides the property in several floors, apartments, houses, commercial offices, stores, premises or areas, in order to sell them to different persons, as long as there is an undividable common element of private property;
- IV.** Due to last will and testament, as long as it is according to the corresponding urban development laws; and,
- V.** A unit ownership is divided, if from that property two or more units of exclusive property are created, sharing common facilities and areas.

The condominium regime shall be incorporated over the buildings in construction or already finished.

The municipality shall only authorize the change to a condominium regime to finished buildings that fulfill the requirements pertaining division of land, use of land, exploitation and urban image density and intensity as well as any other applicable restrictions law.

ARTICLE 5. The following classification of condominiums shall apply depending on their structure and characteristics:

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I. Structure:

- a) **Vertical Condominiums:** Properties built in a common land with several floors and with exclusive property units and condominium rights over the common land, areas and elements of the property for their use and enjoyment;
- b) **Horizontal Condominiums:** Horizontal buildings where the unit owner holds the exclusive right of use of one part of the land and is the owner of the building therein, being able to share or not its structure and dividing or common walls, being the unit owner of a right to use and enjoy the land, building and facilities designated for common use; and
- c) **Mixed Condominium:** Properties with vertical and horizontal buildings, that may be built in groups of exclusive property units such as: buildings, bodies, towers, blocks, sections or areas;

II. Use:

- a) **Housing:** Those in which the exclusive property units are for housing purposes
- b) **Commercial or services:** Those in which the exclusive property units are for commercial purposes or to provide a service;
- c) **Mixed:** Those in which the exclusive property units are for two or more purposes of the ones above stated.

ARTICLE 7. Prior the incorporation of any Condominium Regime, the interested owners shall obtain from the corresponding municipal authority a statement indicating if the general project is attainable and if it is in compliance with the required provisions, systems, legal rules of public services, urban

development and planning. This statement does not state that the owners are in compliance with every obligation acquired by the indicated numeral which among other things state the granting of construction license for up to 120 apartments, houses, or commercial offices or stores per condominium, even when this and other condominiums are part of a group or urban housing unit or tourist complex.

ARTICLE 8. The condominium regime shall be incorporated through a public deed with the owners' declaration of will; same that shall include the following:

- I.** The location, size and borders of the land of the condominium, specifying the separation from the other areas, if it is located inside a complex or urban housing unit, or within a tourist complex. If it is an extensive construction, the public deed should indicate which buildings' borders, wings or sections should be considered independent condominiums, because of their location and because the number of condominium causes the separation of unit owners in several groups;
- II.** Proof of possessing the statement referred to in the previous Article and that the competent authorities have issued the corresponding urban construction and health licenses, authorizations or permits required for that construction type;
- III.** A general description of the buildings and the quality of the materials used or to be used for construction;
- IV.** The description of each apartment, house, commercial office or store, their number, location, measurements, parts, vehicle parking space if any, and any other information pertinent for identification purposes;

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- V.** The nominal value that, for purposes of this Law, is assigned to each apartment, house, or commercial office or store, and the corresponding percentage over the total nominal value of the condominium.
- VI.** General purposes of the condominium as well as purposes of each apartment, house or commercial office or store;
- VII.** Common elements, their purpose, with all pertinent details and specifications, as well as, if needed, measurements, characteristics, and other necessary information for their identification;
- VIII.** Characteristics of bail policy required by the debtor, to respond for the construction and any vices it could have. Bail amount and term determined by the authorities issuing the construction licenses; and,
- IX.** The reasons and conditions for the public deed modification.

The public deed shall include as an appendix, duly certified by the Notary Public, the general blue print and the blue prints for each of the apartments, houses, commercial offices or stores and common areas, as well as the Condominium By-Laws.

ARTICLE 11. The Condominium By-Laws shall establish when, in accordance with the Law and the Articles of Incorporation, they can be modified.

ARTICLE 12. The Municipal Governments shall be responsible of establishing all administrative measures needed to ease and promote the construction of Condominium Properties.

TITLE II

CHAPTER I RIGHTS AND DUTIES OF UNIT OWNERS

ARTICLE 13. Unit owner is the person or entity, whether public or private, who uses one or more of the apartments, houses or commercial offices, stores, or areas of a condominium, as the owner or original titleholder as well as the person that in virtue of a contract becomes the owner or trustee of the property subject to the condominium regime.

ARTICLE 14. In the Condominium Regime, the titleholder of an exclusive property unit will have all rights granted by the civil legislation to the owners of the property.

ARTICLE 15. The unit owner shall have exclusive right over the unit of exclusive property and its accessories, as well as joint ownership of the common elements of the condominium property.

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The condominium unit owners and occupants shall use their units of exclusive property in accordance with that stated by the Condominium Articles of Incorporation.

ARTICLE 16. When the unit owner leases, sublets, or grants a commodatum agreement for his unit of exclusive property, the unit owner shall still be jointly responsible with the lessee, sub-lessee or gratuitous bailee for his obligations pertaining the condominium.

ARTICLE 17. The unit owner shall access, use and enjoy his exclusive property unit, in accordance with the modes and limitations established this Law and any other limitation established by the Condominium Articles of Incorporation and By-Laws.

The unit owner and lessee or any other assignee shall decide upon who shall fulfill certain obligations before the other unit owners, and in which case the user shall have the representation of the condominium in the meetings, but the user shall always be jointly responsible of fulfilling the unit owner obligations.

Both shall present to the Administrator, in a timely manner, within the first five working days after their representation was granted, a notice regarding said representation.

ARTICLE 18. The sale of one of the units of the condominium shall not be subject to the right of first refusal in favor of the other unit owners. The right of first refusal is established exclusively in favor of the occupant of said unit in

compliance of his obligations and only if he has been occupying the unit for more than five years.

In the event that a unit owner decides to sell his unit, he shall notify the occupant, through the Administrator, a Notary Public, or judicially, stating the price offered and other conditions of the sale operation, so that, within the following 10 days, the occupant can state if he wants to use his right of first refusal.

If the apartment, house, commercial office or store, is sold without following the aforementioned procedure, the occupant could substitute the buyer, with the same conditions stipulated in the sale agreement, as long as he uses his right of revocation, with exhibition of the payment, within the 15 days following the day in which he had knowledge of the sale.

The Notaries shall refrain from authorizing a sale agreement of such nature, without making sure that the seller has respected the right of first refusal. If the notification was made through the Administrator of the property, he shall prove before the Notary Public, the day and time in which said notification was given.

ARTICLE 19. The unit owners have the following rights:

- I.** To be respected by other unit owners with regards to their exclusive property unit;
- II.** Participate and vote at the unit owners meetings;
- III.** Access, use and enjoy, under equal circumstances with the other unit owners and peacefully, the common areas of the condominium;

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- IV.** Be part of the condominium Administration and Board of Directors;
- V.** Request any information to the Condominium Administration or Board of Directors pertaining maintenance, administration and reserve funds of the condominium;
- VI.** Go to the corresponding Municipal Arbitration Centers to exempt themselves from making fee payments, if said payments were not approved at a unit owners meeting by a majority of the unit owners or if it is demonstrated that they are excessive for the purposes for which they are being collected; and,
- VII.** Go the corresponding Municipal Arbitration Centers to request their intervention due to authorities or private parties violations to this Law, the Condominium General Rules or By-Laws,

ARTICLE 20. The unit owners, and in general the residents of the condominium shall not:

- I.** Perform any act that may affect the peace of other unit owners or that compromises the stability, security, health or convenience of the property, or to avoid any action that may produce similar effects;
- II.** Even inside their property, perform any act that obstructs or lessens the efficiency of the operation, blocking or making difficult the use of the common facilities and general services, therefore, all unit owners shall maintain in a good state their private services and facilities;

- III.** Obstruct parking or common areas with buildings or any other type of material;
- IV.** Have animals, of any kind or size, unless expressly authorized by the Condominium By-Laws or at the unit owners meeting;
- V.** If the condominium is for commercial or industrial use, use it for something different than that established by the Condominium Articles of Incorporation, as well as to use it for something different from purposes allowed by the Urban Development Plan;
- VI.** Exclusively use and enjoy common goods, services or facilities;
- VII.** Use the parking area of another unit owner;
- VIII.** Affect the tranquility or security of the people or property of the other unit owners; and,
- IX.** Do things at night that could be done during the day and are annoying or obstructing the neighbors rest.

Anyone who fails to comply with this provisions shall pay any expenses needed to repair the facilities or to restore the corresponding services, and shall stop doing such actions, likewise he shall be responsible of any losses and/or damages; the aforementioned in addition to any other sanction that may apply.

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ARTICLE 21. In accordance with the Articles of Incorporation any additional element such as, parking spaces, maid rooms, hanging cages, washing rooms, and any other element that is not of common property and that is part of the unit of exclusive property shall be considered part of the right of exclusive property and use of the unit owner, and can not be sold, leased or transferred independently.

ARTICLE 22. The ownership right of every unit owner, over the common property shall be proportional to his exclusive property, established by the Condominium Articles of Incorporation.

ARTICLE 23. Each owner shall make any reparation to or construction of the interior of his exclusive property unit as needed, therefore, it is prohibited to modify, the structure, walls, or any other essential element of the building that could affect its stability, security or convenience.

It is prohibited to open windows, paint or decorate the façade or the exterior walls or to remodel causing a change on the design of the complex or that may affect the general look of the condominium.

ARTICLE 24. If a unit owner does not exercise his rights or waives the use of any common areas, he shall continue to be subject to the obligations imposed by this Law, the Condominium Articles of Incorporation, the Rules of the Condominium Regime and other applicable legal dispositions.

CHAPTER III
COMMON ELEMENTS

ARTICLE 25. The following shall be considered common elements of the condominium:

- I.** The land, basements, doors, lobby, galleries, hallways, stairs, patios, gardens, roofs, pathways, elevators, interior driveways, as well as any space expressly stated as common property by the construction licenses such as parking spaces, except for those of exclusive property;
- II.** Those premises destined for the administration, entrance security guards and overall security;
- III.** Any work, facility, machinery and any other object for the purposes of the common use such as: moats, wells, flushing tanks, elevators, freight elevator, incinerator, fire extinguisher, ovens, pumps, motors, sewers, waterway, water distribution ducts, drainage, heating and air conditioning, gas and electricity, security, sports, recreation, decoration, social entertainment and other areas and premises, except those exclusive of each exclusive property unit;
- IV.** Foundations, structures, foundation walls, and roofs; and,
- V.** Any other part or facility considered a common element by unanimity of the unit owners or established like so by the Articles of Incorporation.

ARTICLE 26. The adjoining unit owners shall have joint ownership of the walls, dividing floors, and any other division that separates the exclusive property units.

ARTICLE 27. Any work required regarding dividing floors, paving, dividing walls and any other division between adjoining premises shall be done and paid by the corresponding unit owners.

ARTICLE 28. In vertical condominiums, all unit owners shall have the same rights notwithstanding the location of the exclusive property unit.

Unless stated by the Condominium Articles of Incorporation, the unit owners of the lower level shall not have the right to make reparations, construction work, or exclusively use of the lobby, hallways, basements, gardens, patios or any other space located at the lower level considered common element of the property. Likewise, the unit owners of the last floor shall not use the terrace or elevate new constructions. The same restrictions apply to all other unit owners of the property.

ARTICLE 29. The following rules shall apply to any construction or repair work to be done at the common property and general premises:

- I.** Any work needed to maintain the security, stability, maintenance and normal and efficient operation of the property shall be done by the Administration previous authorization issued by the corresponding authorities, if needed, and acceptance of the Vigilance Board, payables with the maintenance and administration expenses fund and always notifying said payment and work at the following General Meeting.

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Whenever this fund is not enough to perform the unexpected work, the Administrator shall summon for a General Meeting, in which, as established by the Condominium By-Laws, the attendants shall resolve the matter.

- II.** If selling, the owner(s) of the condominium shall be responsible for any compensation in case of eviction.
In case of new constructions, the original owner or owners of the condominium shall be responsible for the defects or hidden vices of the building, where the corresponding possible actions shall terminate three years after the delivery of the damaged area.
- III.** The Extraordinary General Meeting shall approve any work, except for works on green areas, that do not imply the modification of the Articles of Incorporation and that is done to improve the appearance and/or convenience of the property, with assistance of the unit owners and by a minimum of votes representing 51% of the total value of the condominium property;
- IV.** Any urgent reparation at the common properties and services could be done by any of the unit owners when the Administrator is absent, the expenses shall be reimbursed dividing the cost of the work in equal parts between all the unit owners, prior authorization of the Vigilance Board;
- V.** Any expense originated from the operation, reparation, preservation and maintenance of the general facilities and services, as well as common areas and property, shall be paid by all unit owners in accordance with that stated in Title IV, Chapter II of this Law;

VI. If the resident or owner of a unit abandons the property for a term of 30 natural days, the Administrator shall send written notice of this situation to the co-owner or to the owner when the property is leased or to the public organism that holds title to the property, so they take the appropriate measures in a term of five natural days after the day of the notification, so that the place does not turn into a contamination focus, affecting health and security of the property for the other unit owners. If after that term the appropriate measures have not been taken, the Vigilance Board shall pay for any expense needed to prevent that space from being used for anything other than what is stated in the corresponding deed, and the expenses originated from the maintenance and administration of the same shall be charged to the owner, applying if needed what is stated in Article 64 of this Law;

VII. Whenever a vehicle is parked in any of the common areas of the Condominium, including parking space if there is any, or in front of the property for a period longer than 20 natural days, the Administrator shall send written notification to the owner of the vehicle if he is one of the unit owners of the condominium, requesting the removal of the vehicle in a term no longer than five natural days, if the owner of said vehicle is unknown, the Administrator shall notify the Municipal authorities, so that the unit is tolled away immediately from where it is located.

This measure shall not be applied when the unit owner sends written notification to the Administrator, stating that the vehicle shall remain in a certain place of the property, due to causes validated by the Vigilance Board; under no circumstances this vehicle could be parked at the same spot for more than thirty days; and,

VIII. Regarding the expenses originated by the electricity, water and other services in the common areas and property shall be paid in accordance with that established in section V and VI of this Article. The service provider shall include the corresponding amount in the invoice issued individually to each unit owner for the service in its exclusive property unit.

ARTICLE 30. All unit owners shall be responsible for the payment of works required on the exterior roof and basements of vertical condominiums as well as for the payment of any reparation of damages caused by earthquakes, sinking or any other natural phenomena

ARTICLE 31. The unit owners can not sell, lease or transfer to third parties, under any title, the rights to the exclusive property unit if the condominium is a financed condominium or built by a federal, state or municipal organism, observing the provisions and rules established by those organisms.

ARTICLE 32. One person can not buy, on his own behalf or through a legal representative, more than one apartment, house or commercial premise of exclusive property unit in financed condominiums or condominiums built by public organism. If this happens his contract can be terminated.

Equal sanctions shall apply to those that being owners of a property in the center of the corresponding area, buy on their own behalf or using a third party, an exclusive property unit in condominiums built or financed by public organisms.

TITLE III

CHAPTER I

GENERAL MEETING SUPREMACY AND FACULTIES

ARTICLE 33. The Condominium Articles of Incorporation shall establish the characteristics and conditions for the organization and operation of the condominium. The supreme authority of the condominium shall be the General Meeting of Unit Owners.

The General Meetings could be ordinary or extraordinary:

- I.** The Ordinary General Meetings shall be executed every six months having as purpose to inform the administration situation as well as to deal with issues regarding the administration; and
- II.** The Extraordinary General Meetings shall be executed whenever there are urgent issues to be dealt with and when whenever it is necessary to deal with the following issues in accordance with that herein established: any modification to the Articles of Incorporation or By-Laws; for the voluntary termination of the regime, to perform new work, to agree anything regarding the destruction, ruin or reconstruction.

ARTICLE 34. Other meetings shall always be subject to the General Meeting and shall be ruled in accordance with this Law and the Condominium By-Laws.

- I.** Administrators Meetings, in case of a group of condominiums or whenever the condominium has been subdivided by sections or groups, to deal with issues pertaining common property a certain condominium or group of condominiums. The administration committee shall summon these meetings.
- II.** Section or group meetings for buildings, wings, sections, blocks, entrances and areas form the condominium. These meetings shall deal with issues regarding the common internal areas that only serve that part of the property. These meetings shall be summon in accordance with Article 36 of this Law and their decision shall never violate or affect the decisions of the Condominium General Meeting; and,
- III.** General Unit Owners Meetings of a Condominium group. These meetings are optional to the Administrators Meetings. These meetings could be used to vote for the administration and Vigilance Committee of the group of condominiums. Likewise they can be used to treat any issue regarding common areas of the group of condominiums and shall be summoned under the terms of article 36 of this Law.

Without affecting the provisions regarding the Unit Owners Meetings, these could agree other mechanisms and ways to make decisions and agreements to improve the administration of the condominium.

ARTICLE 35. The following rules shall be applied at the General Meetings:

- I.** The person designated by the Meeting shall run the General Meetings. The General Meeting shall have a secretary which will be the Administrator or the person designated in the Condominium By-Laws or whoever the meeting designates and with the vote teller designated by the Meeting;
- II.** The meeting resolutions shall be made by a majority of the attendant votes, except when this Law, the Condominium Articles of Incorporation or By-Laws establish the need of a special majority;
- III.** Every unit owner shall have a number of votes equal to the undividable percentage represented by his unit of exclusive property with regards to the total value of the condominium established by the Articles of Incorporation;
- IV.** Voting shall be direct and nominal. The Condominium By-laws could grant the representation. One person cannot represent more than two unit owners with simple power of attorney. The administrator cannot represent a unit owner at the meetings;
- V.** When a unit owner or occupant is designated the Administrator, member of the administration committee or the Vigilance Committee, he/she shall prove the meeting the fulfillment of his/her obligations regarding the unit, from the beginning and during all his/her post.
- VI.** If only one unit owner represents more than the 50% of the votes, and the other unit owners do not attend the general meeting, previous

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notification of the meeting in accordance with the regulations herein established, the general meeting can take place under the terms of the Article 36, Section IV;

- VII.** If one unit owner represents more than 50% of the votes and the rest of the votes of the condominium are present, at least half of the remaining votes for the agreements shall be required the resolution validity. If less than 75% of the total value of the condominium is present, a second summon for general meeting shall be issued, in which in order for the agreements to be valid, at least 75% of the votes of the attendants is required. When no valid agreement has been reached, the majority unit owner or the minority groups could present the discrepancy to the corresponding Municipal Arbitration Center, under the terms of the Article 67 and 78 of this Law;
- VIII.** The secretary of the general meeting shall keep the meeting minutes in the book of minutes authorized for such effect by the corresponding Municipal Arbitration Center. The minutes, shall be signed by the president, secretary, members of the Vigilance Committee and the unit owners; and
- IX.** The Secretary shall always have available to the unit owners the book of minutes and shall inform in writing to each of them the agreements reached in the general meeting. If the General Meeting Agreement:

 - a) Modifies the condominium Articles of Incorporation, the minute shall be formalized before the Municipal Arbitration Center of the corresponding municipal government and shall be registered before the Public Registry of Property and Commerce;

- b) Modifies the Condominium By-Laws, the minute shall be formalized before the Municipal Arbitration Center of the corresponding municipal government.

ARTICLE 36. The General Meetings shall be summoned as follows:

- I.** The notice shall indicate the type of meeting, the place where it will take place within the condominium, or the one established by the Condominium By-Laws, as well as the date and time in which it will take place, including the agenda and who is calling the meeting;
- II.** The unit owners or their representatives shall be notified with the delivery of the corresponding notice at the unit of exclusive property. The notification shall be displayed in one or more visible places of the condominium or in the places established by the Condominium By-laws;
- III.** The meeting can be summoned in accordance with this Law by:
 - a) The administrator,
 - b) The Vigilance Committee,
 - c) At least 25% of the total of the unit owners, authorizing said summon before the corresponding Municipal Arbitration Center. The unit owners in default, according to the administration shall not have the right to summon the meetings.
- IV.** When the meeting takes places in virtue of the first summon, 75% of assistance from the unit owners shall be required, when the meeting takes place in virtue of the second summon the quorum shall be integrated with the simple majority of the total of the unit owners. In

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case of third summon the meeting shall be legally taking place with the unit owners that attend and the agreement shall be taken with majority of the attendees.

- V.** The resolutions made by the meetings under the terms of this Law, the Condominium By-laws and other applicable legal provisions, obligate every unit owner including the absent and dissident unit owners. The summons for the Ordinary meeting shall be notified seven natural days before the first summon. Between the second summons and the Meeting the minimum term shall be of half an hour and between the third summon and the meeting, the same term;
- VI.** In case of extreme urgency the summons for the Extraordinary Meeting shall be made with the anticipation allowed by the circumstances. All other provisions of the Law and the Condominium By-Laws shall apply;
- VII.** When due to the importance of the issues to be dealt with in the Meeting is necessary, the Administrator, the Vigilance committee or at least 25% of the unit owners, could request the attendance of a notary public or a representative of the corresponding Municipal Arbitration Center; and
- VIII.** In case of the General Extraordinary meeting stated in Article 33, Section II of this Law, the rule to set quorum and votes, shall be subjected to the provisions that in each case is determined by the corresponding articles.

ARTICLE 37. The General Meeting shall have the following faculties:

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- I.** Modify the condominium Articles of Incorporation and approve or modify the condominium By-Laws;
- II.** Appoint and recall the Administrator or Administrators, under the terms of this Law, the Condominium Articles of Incorporation and By-Laws;
- III.** Set the payment for the Administrator;
- IV.** Establish duties and faculties of the Administrator, in accordance with the Condominium Articles of Incorporation and By-Laws;
- V.** Set the fees for the unit owners, establishing the collection system more appropriate and efficient in accordance with the characteristics of the condominium. Likewise, set the late payment interest rates that shall be paid by the unit owners if they fail to pay said fees. Establish a way to guarantee with bail or any other legal mean, all fee payments;
- VI.** Appoint and recall the Vigilance Committee;
- VII.** Establish the type and amount of guarantee that must be granted by the Administrator with regards to the faithful performance of his duties, and the administration of the monies under his care;
- VIII.** Examine, and approve or disapprove the account statements presented by the Administrator, as well as the annual activity report issued by the Vigilance Committee;
- IX.** Discuss and approve or disapprove the expense budget for the following year;

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- X.** Instruct the Vigilance Committee, or whoever is designated to proceed before the competent authorities whenever the Administrator or Administrators violate this Law, the condominium By-Laws or Articles of Incorporation or any other applicable legal provision;
- XI.** Apply the necessary measures on issues of common interest that are not included within the functions granted to the Administrator;
- XII.** Resolve about the restriction of electric energy services, gas and others, due to lack of payment of the fees. The service of drinkable water shall never be restricted; and
- XIII.** Any other faculty granted by this law, the Condominium By-Laws and Articles of Incorporation and any other applicable legal provision.

ARTICLE 38. The unit owners right to vote shall be suspended previous notification, keeping all the times, the right of speech to express whatever is on his benefit and the approval of the General Meeting in the following cases:

- I.** Failure to pay two or more fees for the maintenance and administration fund and the reserve fund;
- II.** Lack of payment of an extraordinary fee in accordance with the terms herein established; and/or
- III.** Whenever due to judicial disposition or administrative judgment duly executed, said unit owner has been requested to pay for damages in favor of the condominium and said payment has not been paid.

Under the previous circumstances, those unit owners shall not be taken into consideration for the quorum of the meetings.

CHAPTER II
ADMINISTRATORS APPOINTMENT AND FACULTIES

ARTICLE 39. The condominiums shall be administrated by the person or entity appointed by the General Meeting under the terms of this Law and the Condominium By-Laws. Whenever there is a material or structural impediment that difficult the organization of the condominium or if the unit owners have a traditional way of organization, it will be possible to appoint administration by building, wings, sections, areas, blocks, entrances, and areas, and in those cases in which the condominium has more than one entrance, the unit owners could decide to have an administration for each access as long as it is regarding issues of internal common areas that only serve those who live in that section of the condominiums.

The fragmented organization is prohibited within the sections and if two wings share the same access, separate administration of the same shall not be allowed.

ARTICLE 40. The requirements to be Administrator are:

- I.** If the administrator is not a professional administrator he/she shall prove the meeting, the fulfillment of his/her duties as a unit owner from the start and during the time of his/her management; and

- II.** In case of hiring professional administration, whether a person or entity, said administrator shall prove his experience in the administration of condominium.

- III.** The appointment, or the formalization of the same, shall be presented for its registration before the corresponding Municipal Arbitration Center, within fifteen working days after the appointment. The Municipal Arbitration Centers shall issue the registration within a term of fifteen working days, which shall be valid before third parties and corresponding authorities.

ARTICLE 41. The General Meeting shall establish the payment of the Administrator.

ARTICLE 42. If the condominium regime is starting with a new construction, the first Administrator shall be appointed by whoever grants the Condominium Articles of Incorporation.

ARTICLE 43. When the General Meeting decides to hire professional services for its administration, the Vigilance Committee shall execute the corresponding agreement in accordance with the applicable Law.

If the Administrator is not a unit owner, he shall have a term no longer to thirty natural days after the execution of the agreement, to grant the Vigilance Committee the corresponding bail.

ARTICLE 44. If the Administration is appointed to a non-professional, the Administrator shall remain in charge for one year, with the possibility to be reelected by the Meeting in two consecutive periods and after that in other non-consecutive periods.

ARTICLE 45. The Administrator shall:

- I.** Keep the meeting minute book duly authorized by the corresponding Municipal Arbitration Centers;
- II.** Take care of the condominium property as well as of the common services; promote the integration, organization and development of the community. The common services include those that are common with other condominiums;
- III.** Present the agreements taken by the Unit Owner General Meeting to the Administrators Meeting;
- IV.** Collect and keep the books and documentation regarding the condominium same that at all times shall be available for the consultation of the unit owners;
- V.** Ensure the adequate and efficient operation of the general facilities and services;
- VI.** Perform all of the administration and preservation activities required by the common areas of the condominium, as well as to request the provision of electric energy and other goods needed for the services, facilities and common areas, dividing the amount of usage according to that established by this Law;
- VII.** Undertake any work needed under the terms of the Section I, Article 29 of this Law;

- VIII.** Execute the meeting agreements except for those issues designated to other persons by the Meeting;
- IX.** Collect from the unit owners, the corresponding maintenance fees, administration and reserve funds, as well as any extraordinary fees in accordance with procedures and terms established by the General Meeting;
- X.** Pay any maintenance and administration expense of the condominium, using the corresponding fund, under the terms of the Condominium By-Laws;
- XI.** Give receipt for any received payment;
- XII.** Deliver every month and to every unit owner, a condominium account statement showing:
 - a) Detailed monthly income and expenses report.
 - b) Detailed list of pending contributions and fees. The Administrator shall have available to the unit owners, a detailed report.
 - c) Balance and usage of the funds for the following month.
 - d) Bank account statement, investment resources, including interests.
 - e) Detailed report of fees to be paid to service and/or goods providers by the condominium.

The unit owners will have a term of eight days starting after the delivery of said documentation to make any observation or objection regarding said information. After that term it shall be understood that the unit owners agree with the information presented. The meeting must approve under the terms of Section VIII of Article 37;

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- XIII.** Summon meetings under the terms established in this Law as well as in the Condominium By-Laws;
- XIV.** Represent the unit owners for the hiring of third parties of the spaces, premises or offices of common property that are subject to lease, commodatum or designated for commercial purposes always abiding by that established by the corresponding laws and the Condominium By-Laws;
- XV.** Watch the fulfillment of any duties and provisions included in the condominium By-Laws, Articles of Incorporation as well as this Law.
- XVI.** Demand, with the representation of the other unit owners, the fulfillment of the provisions of this Law, the Condominium By-Laws. Requesting if necessary, the support of the corresponding authority;
- XVII.** Regarding the common property of the condominium, the Administrator shall have general faculties for collection, acts of administration, including those that may need special clause in accordance to the Law;
- In case of the death of the Administrator or if he is absent for more than three months without previous notice, the Vigilance Committee may assume his faculties, until a new administrator is appointed.
- XVIII.** Fulfill any duty established by the Civil Protection Law for the State of Baja California and its rules;

- XIX.** Initiate the administrative or judicial procedures against the unit owners that fail to fulfill their obligations and violate this Law, the Articles of Incorporation and the Condominium By-Laws;
- XX.** Undertake the other functions and fulfill with any duty established by the Articles of Incorporation, By-Laws, this Law and any other applicable legal provisions, requesting if needed the help of the corresponding Municipal Arbitration Centers for their fulfillment;
- XXI.** Initiate and promote at least once every six months in coordination with the Municipal Arbitration Centers, a meeting to instruct and promote basic principles of the Condominium Culture.
- XXII.** The Administrator of the condominium shall offer the Meeting, the book of minutes duly authorized by the corresponding Municipal Arbitration Centers, when this has been summoned under the terms established for such effect by this Law.

ARTICLE 46. When the Unit Owner Meeting appoints a new administration, the previous administration shall deliver, in a term no longer than seven natural days after the appointment day, all of the documentation including the account statements, minute book, values, real estate, property and any other property under its care and responsibility. This term shall only be postponed with a judicial resolution. In such case a certificate of the circumstances shall be issued.

After the end of the previous terms, the corresponding Municipal Arbitration Centers shall receive certified copy of the change of administration certificate issued. This certificate shall be delivered in a term no longer than seven working days after the appointment day.

ARTICLE 47. The groups of condominium will appoint one administration committee for the administration of all the common elements of the group. The administration committee will be integrated as follows:

- I.** One Administrator, who will have all the functions stated in Article 45;
- II.** One secretary, who will be responsible for all administrative activities related with the update and management of the meeting minute books, creditors, archive and other necessary documentation for the proper administration; and
- III.** One treasurer, who will be responsible of the internal accounting of the administration, having to be responsible with the administrator of updating the account statements of the administration, and shall not be available to exercise the same,

ARTICLE 48. The appointment of the condominium group members of the administration committee, shall take place at one Unit Owner General Meeting, celebrated in accordance with the rules of Article 36 of this Law.

CHAPTER III
APPOINTMENT AND FACULTIES OF THE VIGILANCE
COMMITTEE

ARTICLE 49. The condominium shall have a Vigilance Committee integrated by two to five unit owners, depending on the number of units of

exclusive property, appointing amongst them one president and from one to four vocals. A minority that represents less than 25% of the total number of units shall have the right to appoint one of the vocals.

ARTICLE 50. The appointment of the members of the Vigilance Committee shall be for one year, without pay. And only half of its members can be reelected for one consecutive period, except for the president, who under no circumstance may be reelected in a consecutive period.

ARTICLE 51. The Vigilance Committee shall have the following functions and duties:

- I.** Ensure the compliance of the General Meeting resolutions;
- II.** Supervise the Administrator;
- III.** Hire and terminate any professional services referred to in Article 43 of this Law;
- IV.** Vote for the performance of work referred in Article 29, Section I;
- V.** Verify and issue report of the account statements to be issued by the administrator before the General Meeting;
- VI.** Verify and supervise funds investment;
- VII.** Inform the General Meeting issues regarding the administration of the condominium;

- VIII.** Help the administrator with observations about the fulfillment of his duties;
- IX.** Summon General Meeting, when the administrator fails to summon within the three following days to the petition;
- X.** Summon General meeting, when it deems necessary to inform the General Meeting any abnormalities incurred by the Administrator, previous notification to the Administration so that he appears at the meeting;
- XI.** Request the attendance of a representative of the corresponding Municipal Arbitration Centers or of a Notary Public in cases established for such effects by this Law, or whenever it deems necessary;
- XII.** Undertake the functions of the Administrator in the cases of second paragraph, section XVII, Article 45; and
- XIII.** Any other function derived from this Law and any other, such as the condominium Articles of Incorporation and By-Laws that may impose duties to the committee.

ARTICLE 52. The condominium groups shall have one Vigilance Committee integrated by the presidents of the Vigilance Committee of the condominiums that integrate said group, same that shall appoint one of them as coordinator.

The integration of the Vigilance Committee of the group of condominium and the appointment of the coordinator shall take place during the meeting referred to in Article 48 of this Law, without the participation of the presidents of the Vigilance

Committee, for the number of members needed for the quorum at the administrator meetings.

ARTICLE 53. The functions of the Vigilance Committee of the condominium group shall be those established in Article 51 of this Law regarding the administration and common elements of the condominium group.

TITLE IV

CHAPTER I

CONDOMINIUM BY-LAWS

ARTICLE 54. The Condominium By-Laws shall include, without violating that established by this Law and the corresponding Articles of Incorporation, the provisions that due to specific characteristics are considered necessary, having to include, at least, the following:

- I.** Unit owners' rights and duties regarding the common elements of the condominium, the specification of said elements, as well as the limitations for the right of use of the common and exclusive property elements;
- II.** The procedure for the collection administration and maintenance fund, the reserve fund fees as well as any extraordinary fees;
- III.** The amount and period for the collection of fees for the administration and maintenance fund and reserve fund;
- IV.** Appropriate measures to improve the administration, maintenance, and operation of the condominium;

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- V.** Necessary provisions to promote the integration, organization and development of the condominium;
- VI.** General procedure to be followed by the Administrator to execute agreements with third parties regarding spaces, offices, or premises of common property that may be subject to lease or commodatum;
- VII.** The type of meetings that shall be performed in accordance with that established by Article 34 of this Law;
- VIII.** The type of administration in accordance with that established in Article 39 of this Law;
- IX.** The way to assign faculties and powers, requirements and criteria to determine the pay of the Administrator as well as valid reasons for his recall;
- X.** The way to designate and recall the Vigilance committee or any of its members as well as their faculties and duties;
- XI.** The criteria to modify the By-Laws in accordance with that established in the Articles of Incorporation;
- XII.** Establish temporary measures for temporary Administrator absence;
- XIII.** Criteria for the use of common areas, specially those that shall be only used by handicaps that are either unit owner or occupant of a unit;

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- XIV.** Determine, the criteria and limitations for having animals living at the units of exclusive property or common areas; if the By-Laws of the condominium do not expressly state anything regarding the above, the unit owner meeting shall issue resolutions regarding said issue.
- XV.** The criteria for the integration of an Internal Civil Protection Program, as well as the integration of Civil Protection and Public Security Committees;
- XVI.** The table of value and undividable of the condominium; when said values or undividable are modified due to modifications made to the Articles of Incorporation said table shall be updated;
- XVII.** Mechanism and procedures to make decisions and resolutions for the better administration of the condominium, as long as they do not violate this Law;
- XVIII.** The issues and subjects reserved to the By-Laws by the Articles of Incorporation and this Law.

ARTICLE 55. To modify the Condominium By-Laws, the meeting notification shall include the modifications to be proposed at the meeting. The resolution of modification shall be made by a minimum of seventy five percent of the total value of the condominium and, in housing condominiums by fifty one percent of the number of condominiums.

ARTICLE 56. Any new buyer shall hold himself subject to the Condominium By-Laws already in force.

ARTICLE 57. If one or more unit owners, as long as their part do not represent one third or more of the total value of the building, deny their approval to modify the Condominium By-Laws or to make the improvements needed to the building, the majority could present the case to the corresponding Municipal Arbitration Center; but if the contestants represent at least one third of the total value of the building, their vote shall be final. The minority could also oppose to a resolution of the majority presenting the case to the corresponding Municipal Arbitration Center, so that it resolves what deems appropriate.

CHAPTER II

EXPENSES, TAX DUTIES AND CONTROVERSIES

ARTICLE 58. Each unit owner shall contribute proportionally to the undividable percentage corresponding to his apartment, house, commercial office, store or area, to the administration, preservation and operation of common elements expenses, as well as to the funds of administration and maintenance, as well as the reserve funds, an any other fund established by the Condominium Articles of Incorporation or By-Laws.

ARTICLE 59. When a condominium has different parts and includes, for example, several stairs, patios, gardens, works or premises destined to serve only one part of the condominium, the special expenses shall be charged to the group of unit owners who will benefit from said work.

Special rules for the payment of fees may be established in the case of stairs, elevators, freight elevators, and other elements, machinery or facilities that are only used by some of the unit owners. The Condominium Articles of Incorporation or By-Laws will rule on this issue.

ARTICLE 60. The administration and maintenance fees shall not be subject to amendment or personal exceptions or any other scenario that may exclude someone from their payment.

ARTICLE 61. The administration and maintenance fund as well as the reserve fund, if they are not used, they shall be invested in investment values payable upon presentment with a minimum risk, keeping the cash flow needed to pay any short-term obligations. The type of investment shall be authorized by the Vigilance Committee.

ARTICLE 62. The General Meeting shall determine every year the percentage of earnings obtained from the investment or lease of common elements that shall be applied to each of the funds of the condominium.

ARTICLE 63. The fees for common expenses, administration and reserve funds as well as extraordinary expenses generated by each exclusive property unit and not paid by unit owners at the dates established by the General Meeting or the Condominium By-Laws, shall produce an interest specified at the meeting or at the Condominium By-Laws, or legal interest if nothing else is established.

The abovementioned in addition to the sanctions that may be applicable to the until owner due to his failure to make the payments.

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The liquidation of debts, late payment interests and/or conventional penalties stipulated by the meeting or the Condominium By-Laws can be enforced with a civil trial, if initiated by the Administrator and the president of the Vigilance Committee, accompanied by the corresponding invoices for pending payments, as well as certified copy by notary public, of the corresponding General Meeting and or the Condominium By-Laws if said fees have been determined charged to the unit owners for the maintenance and administration and reserve funds. This action shall only be executable when there are three ordinary fees or one extraordinary fee pending to be paid.

ARTICLE 64. The unit owner that consistently fails to comply with his obligations, in additions to being responsible for damages and losses caused to the others, could be sued and sentenced to the sale of its apartment, house or commercial office, store or area, even in public auction, always respecting the right of first refusal. The initiation of this action shall be resolved in an Extraordinary General Meeting of the unit owner; same that does not free him from his obligation to fulfill with his obligations and responsibilities, which shall be fulfilled in accordance to the creditor right, with the product of the corresponding auction. The unit owner in default shall be summoned to say meeting to allow him to express whatever he deems convenient.

For this purposes consistent failure to comply with obligations shall be understood as the omissions that originate more than one judicial claim against the delinquent.

ARTICLE 65. If the person failing to fulfill his obligations is an occupant different from the unit owner, the Administrator may present a demand prior consent from the unit owner, to vacate the apartment, house commercial office,

store or any area being occupied. If the unit owner opposes, the demand shall be presented against the unit owner and the occupant, under the terms and conditions established in the previous article.

ARTICLE 66. The unit owners shall pay independently the real property tax of their exclusive property and the corresponding part of the common elements or condominium, as well as all the other taxes, contributions or rights originated from the condominium.

ARTICLE 67. Any controversy regarding the interpretation and application of this Law, the Condominium By-Laws, the Articles of Incorporation, the sale operations, the meeting resolutions, as well as any other applicable legal provision, shall be resolved with the Arbitration, if the Condominium By-Laws say so or if it is agreed by the parties, before the corresponding Municipal Arbitration Centers, or the competent court, in a expedited proceeding, unless otherwise stated. Regarding the execution of actions due to failure to comply with a payment of fees of administration, maintenance and reserve fund, and extraordinary fees, it shall not be necessary to follow the arbitration procedure and it could be settled with a civil trial under the terms of Article 63 of this Law.

ARTICLE 68. Whenever an agreement of sale is executed regarding one unit of exclusive property, the seller shall deliver the buyer proof of no debt, public services, payment of maintenance, administration, reserve and extraordinary fees, issued by the Administrator of the condominium. The buyer of any unit of exclusive property is jointly responsible for the payment of any debt regarding the payment of fees for common expenses, administration, reserve fund, and extraordinary fees generated and to be paid by each unit of exclusive property,

except if the administrator of the condominium has issued and delivered the certificate of no debt previously stated. Under no circumstance the buyer shall have joint obligation regarding the payment of expired debt due to public services.

The notary public formalizing the sale agreement shall review the no-debt certificate aforementioned, and inform the buyer of the joint obligation to pay for the fees owed for common expenses, administration, reserve fund and extraordinary expenses, generated and to be paid by each exclusive property unit.

CHAPTER III

ENCUMBRANCES

ARTICLE 69. The encumbrances are divisible between the several floors, apartments, houses, commercial offices or stores, or areas of a condominium, building subject to the condominium regime referred to in this law, whether this encumbrances are acquired by the constructor, the owners as a whole or the owner as an individual.

ARTICLE 70. Every unit owner shall respond only for the encumbrance corresponding his exclusive property and proportionally with regards to the common property. Any clause establishing joint responsibility of the owners to respond to an encumbrance, prior the sale shall be considered invalid.

ARTICLE 71. The credits originated from the obligations contained in the Articles of Incorporation, sale agreement, by the Condominium By-Laws, or by

this Law and any other applicable legal provisions, shall have real guarantee over the apartments, houses, commercial offices or stores or areas, when transferred to third parties.

The registration of this encumbrance before the Public Registry of Property and Commerce, grants any interested party the right to obtain from the administrator and from any creditor a liquidation of the pending debts. The liquidation of the administrator shall only have legal effects if the president of the Vigilance Committee subscribes it or whoever substitutes him.

TITLE V

ONLY CHAPTER DESTRUCTION, RUIN AND RECONSTRUCTION OF CONDOMINIUM

ARTICLE 72. Extraordinary General Meeting could agree to the following if the Property subject to the Condominium Regime is in ruins or is totally destroyed or more than 35% of its value is destroyed, without taking into consideration the value of the land and according to the review made by the corresponding Municipal Arbitration Centers or by an authorized Financial Institution; these resolutions shall be made with a minimum assistance of a simple majority of the total number of unit owners and by a minimum of votes that represent 51% of the total value of the condominium and the simple majority of the total number of unit owners:

- a) The reconstruction of the common elements or their sale, in accordance with that established in this Title, as well as any other applicable law regarding urban development; and
- b) The termination of the condominium regime.

ARTICLE 73. If the meeting decides to rebuild the property, each unit owner shall be obligated to pay for the reparation of his unit of exclusive property and all of them shall be obligated to pay for the reparation of the common elements, proportionally to the value established in the Articles of Incorporation.

The minority unit owners that decide not to reconstruct shall sell their rights of property in a term no longer than ninety days, at the value established by the corresponding Municipal Arbitration Centers or an authorized Financial Institution. If the unit of exclusive property is totally destroyed, the majority of the unit owners could decide about the partial termination of the regime, if the nature of the condominium and the applicable laws and rule allow it, in which case the unit owner shall be indemnified for the termination of his condominium rights.

ARTICLE 74. If the meeting resolves to terminate the condominium regime in accordance with the provisions of this Title, they shall decide about the division of the common property or their sale.

TITLE VI

CHAPTER I AUTHORITIES

ARTICLE 75. The Municipal and State authorities, previous authorization of one condominium or area of condominiums, shall verify that they have all the conditions and requirements established in the legislation currently in force regarding urban development, ecology, health and civil protection.

ARTICLE 76. The municipal governments could issue the General Condominium Rules; same that shall include the following provisions:

- I.** Description, use and purpose of the condominium;
- II.** Procedure to summon the Unit Owner Meetings and the who shall preside said Meetings;
- III.** Prohibition to store toxic, explosive or high risk substances inside the condominium property;

- IV.** Provisional measures in case of temporal absence of the Administrator or the Vigilance Committee;
- V.** Ways to terminate the condominium regime;
- VI.** Specifications about municipal public services supply; and,
- VII.** The causes and conditions under which the Administrator or Administration Board of the Condominium can be recalled.

ARTICLE 77. The authorities have the obligation to provide the condominiums the public services of their competency. The municipal governments have the obligations to provide the public services referred to in Article 115 of the Constitution of the United States of Mexico, with the same circumstances provided to other housing, commercial and service development not subject to the condominium regime.

ARTICLE 78. The municipal government shall create the Arbitration Centers with the faculties and structure established by their Internal Rules and competent authority to carry out arbitration procedures to solve any controversy regarding any property under the condominium regime in accordance with that established by Article 67 of this Law.

CHAPTER II

SANCTIONS

ARTICLE 79. The following sanctions could be applied to every unit owner who fails to comply with the obligations imposed by this Law, the Condominium By-Laws or the Articles of Incorporations of the Condominium:

- I.** Payment of late interests under the terms established by the Condominium By-Laws and the restriction of their voting right at the meetings, for not paying within the term previously established by the meeting the corresponding fees for maintenance, administration and reserve fund;
- II.** Pay the cost of the reparation and re-establishment of the property, services or areas for the common use damaged due to a wrong use or negligence;
- III.** Fine equal to two maintenance and administration fund fees, in addition to the demolition of any work performed against that established in Articles 17, Section IV and 29 of this Law; and,
- IV.** Fine equal to one maintenance and administration fund fee, to the unit owner or occupant that fails to comply with any of the obligations established in Section II and III of Article 17.

ARTICLE 80. Any applicable sanction due to failure to comply with that established in Sections I, V, VI, VII, VIII, IX and X of Article 29 of this Law, shall be determined by the meeting summoned by the Administrator for such effect. The resolution reached shall be notified to the unit owner in default within the following five days.

ARTICLE 81. If ten days after the day in which the unit owner was notified of the meeting resolution in which the sanction was determined or the agreement was signed before the corresponding Municipal Arbitration Centers, he does not comply with his sanction, the Administrators shall request the enforcement of the sanction by the municipal authority.

ARTICLE 82. Any controversy regarding failure to comply with any obligation by the unit owners, or administrator, or due to violations to the Condominium By-Laws or the Articles of Incorporation shall be solved through the Arbitration procedure under the terms of this Law.

CHAPTER III
ARBITRATION PROCEDURE AND CONTROVERSY
RESOLUTION

ARTICLE 83. The arbitration procedure shall take place before the corresponding Municipal Arbitration Center same that shall have freedom and autonomy to issue awards and to impose sanctions mentioned in this Law. Their awards shall have legal force and the authorities shall count on the help of the public force to be enforced.

Law professionals shall manage the Municipal Arbitration Centers, who shall receive help from experts and technical areas of the municipal administration.

ARTICLE 84. The arbitration shall be a procedure for the resolution of controversies that shall seek to provide the parties with the most equity, and shall follow the principles of legality, simplicity, celerity, officiousness, efficiency,

publicity, gratuity, and good faith, and shall always be initiated by request of the party.

ARTICLE 85. The persons who can initiate an arbitration procedure are: the unit owners, the Administrator in the cases established in this law, as well as the vigilance committee, previous agreement from the meeting, and in case of default of the Administration and due to illegal management of the resources that integrate the maintenance and administration and reserve funds.

The arbitration procedure shall be initiated with the presentation of a written document before the corresponding Municipal Arbitration Centers. Said document, arbitration demand, shall explain the causes of the controversy, and must be accompanied by a copy of the meeting minute in which said resolution was taken, simple copy of the documents to prove personality and the description of the facts.

ARTICLE 86. Within the three days following to the reception of the arbitration demand, the Municipal Arbitration Center, shall summon the interested parties to an initial hearing same that shall take place within the fifteen working days following the conclusion of the term stipulated for the summon, and in which the demanding party could modify or extend its arbitration demand and the defendant answer it same that can be done in writing or orally, as well as to offer any evidence for their arguments.

ARTICLE 87. If after the first hearing the Municipal Arbitration Center considers that it has the sufficient elements to resolve the controversy and if the parties expressly state that they do not wish to present any more evidence or to modify their demand or answer or to counterclaim, the Municipal Arbitration

Center shall issue the corresponding award during the following five days to the day in which the hearing was held on.

If the defendant fails to appear at the initial hearing the Municipal Arbitration office shall issue an award with the elements provided by the accuser and with those elements obtained with the help of professionals or experts in the subject matter of the controversy. By agreement of the parties or by a justifiable cause, the initial hearing may be postponed only one time setting a new date no later than five days after the first hearing was set.

ARTICLE 88. If during the development of the initial hearing the parties have not reached an agreement, or extended or modified or counterclaimed, the Municipal Arbitration Center shall summon them for a second hearing, in which the parties shall have the opportunity to present more elements or in its case present summary statements.

ARTICLE 89. The arbitration procedure shall terminate due to:

- I.** Abandonment of action;
- II.** Award of controversy resolution;
- III.** Agreement between the parties through agreement in accordance to this Law and the civil legislation in force, same that can be enforced;
- IV.** Agreement executed before the Municipal Arbitration Center.

ARTICLE 90. After the first phase of the procedure the Municipal Arbitration Center shall issue award to resolve controversy. If one of the parties or both feel that the award was not clear they shall request clarification to the Municipal Arbitration Center, within the following three days to the notification. The interpretation issued by the Municipal Arbitration Center shall be considered part of the award.

TITLE VII

ONLY CHAPTER CONDOMINIUM CULTURE

ARTICLE 91. Condominium culture shall be all those actions that may contribute to promote actions or attitudes that allow a healthy relationship between unit owners and occupants, as well as the fulfillment of the objective of the condominium regime. Respect and tolerance, the responsibility and fulfillment of obligations, the co-responsibility and participation, the solidarity and mutual acceptance will be some necessary elements of the condominium culture.

ARTICLE 92. The Municipal Arbitration Centers of the area in which the condominium is located shall provide the occupants and administrators under the condominium regime, orientation and training through several courses and seminars regarding the condominium regime, in coordination with the housing organisms and other public and private institutions.

ARTICLE 93. Every person that is Administrator, member of the Administration Committee or the Vigilance Committee of one condominium, shall

attend to at least one training and update courses taught by the Municipal Arbitration Centers of the area every year.

ARTICLE 94. The Municipal Arbitration Centers of the area in which the condominium is located shall help with the creation and operation of civil associations dedicated to promote and develop the Condominium Culture, as well as the citizen initiatives regarding the same.

TITLE VIII

ONLY CHAPTER

SOCIAL INTEREST HOUSING CONDOMINIUMS

ARTICLE 95. The constitution of the condominium regime for social interest or popular housing is of public order.

ARTICLE 96. These condominiums can, through its Administrator and without any damage to the property:

- I.** Request the Infrastructure and Urban Development Secretary of the State or the corresponding municipal authority, issuance of official certificate stating the classification of social interest and/or popular housing for the payment of any service or tax with a fee subject to a economic classification. The authority shall be forced to respond in a term no longer than 30 days; if it is not answered in said term it shall be considered as affirmative.
- II.** Request their incorporations and use of the benefits and subsidies that the public administration has to support the construction of urban

infrastructure in neighborhoods to obtain resources to improve and make major reparations to the common areas of the condominium; and

- III.** Establish agreements with the state and municipal authorities of public administration, in accordance with the general criteria that for such effect are issued by them, to receive in the common areas, basic public services such as trash recollection, public security, civil protection, urban property renovation, change and installation of light.

To be subject to the benefits determined in the previous sections the condominium must prove that the condominium regime is incorporated and has an internal organization established by this Law, presenting for such effects copy of the Articles of Incorporation, the condominium By-Laws and the book of meeting minutes.

If the administrator is absent and with the authorization of the General Meeting, the Vigilance Committee can sign the requests and agreements aforementioned, proving only the existence of the condominium regime.

ARTICLE 97. The public state and municipal administrator could adopt the administrative measurements to ease and promote the incorporation of this type of regime of the housing units of social and popular interest.

TRANSITORIES

FIRST. This Law shall be in force the following day after its publication in the official Newspaper, State Government

CONDOMINIUM PROPERTY REGIME LAW

SECOND. The Condominium Regime Law for the Sovereign and Fee State of Baja California published in the Official Newspaper No. 16, dated June 10, 1973 is now annulled.

THIRD. The municipal governments of the state shall take into consideration the general bases of this Law, regarding their municipalities, having a term no longer than one year after the publication of this law, to issue a General Condominium Law, as well as to create the Municipal Arbitration Centers under the terms herein established.

CONGRESSMAN FRANCISCO RUEDA GOMEZ

PRESIDENT

SIGNATURE

CONGRESSMAN JOSE ANTONIO ARAIZA REGALADO

SECRETARY

SIGNATURE

IN ACCORDANCE WITH THAT STATED IN SECTION I OF ARTICLE 49 OF THE STATE POLITICAL CONSTITUTION, PRINT AND PUBLISH.

MEXICALI, BAJA CALIFORNIA, DATED JUNE 10TH, 2004

STATE GOVERNOR

EUGENIO ELORDUY WALTHER

SIGNATURE

GOVERNMENT GENERAL SECRETARY

BERNANRDO H. MARTINEZ AGUIRRE

SIGNATURE