

LAW ON CONDOMINIUM PROPERTIES IN THE STATE OF QUINTANA ROO

TITLE I

ABOUT THE CONDOMINIUM PROPERTY

CHAPTER I

General Provisions

Article 1. – The provisions of this Law are a public policy and are intended to regulate the establishment, modification, organization, operation, management and termination of the Condominium Ownership Regime.

As well regulates the relationship between Co-owners, and between them and their administration, laying the foundations for the resolution of controversies that may arise between these relationships, through conciliation and arbitration, notwithstanding the competence corresponding to judicial or administrative authorities.

Article 2. - For the purposes of this Law, the following meanings apply:

ADMINISTRATOR. – An individual or company appointed by the Assembly to undertake the administration of the Condominium.

COMMON AREAS AND COMMON PROPERTY. – Are those that undividedly belong to Co-owners and its use is regulated by this Law, the Condominium charter and the regulations; Co-owners and tenants are responsible for their use, development and maintenance.

ASSEMBLY. – The Assembly is the supreme authority of the Condominium and is formed by all Co-owners in a meeting, held in accordance with this law, when called, and matters of common interest of the Condominium are therein addressed, discussed and resolved, as applicable.

SIMPLE MAJORITY. – This is 50% plus one of the total votes or Co-owners, as applicable.

VOLUNTARY TERMINATION. – Extinction of the Condominium Ownership Regime.

LAW. - The Law on Condominium Properties in effect for the State of Quintana Roo.

CIVIL CODE. – The Civil code in force for the Free and Sovereign State of Quintana Roo.

REGULATIONS. – This refers to the Condominium regulations that specified the internal rules of coexistence within a Condominium building upon the terms provided by this Law.

PENALTY: A penalty or fine that a Co-owner of and/or tenant in the property is required to pay upon infringement of this Law, the Civil Code of the State of Quintana Roo, the Condominium charter, the ownership transfer contract, the regulations and other applicable laws on matter.

EXCLUSIVELY OWNED UNIT. – These are the different plots of land, apartments, homes, buildings, areas and corresponding outbuildings over which the Condominium holds ownership rights and exclusive use thereof.

CONDOMINIUM. – A Condominium will be known as a that group of lots, apartments, living quarters, homes, premises or warehouses in a property built horizontally, vertically or mixed, susceptible to independent use as it has its own access to its common elements and to public venues, and belonging to different owners who will have single and exclusive ownership rights over their Exclusively Owned Unit in addition to a co-ownership right over common elements and parts of the property, necessary for a proper use and enjoyment;

CO-OWNER.- A Co-owner is the individual or legally collective entity holding ownership or trusts rights title over on or more Exclusively Owned Units within a property allocated to the Condominium Ownership Regime; and for all intents and purposes of this Law when a contract has been entered into and, should its terms be met, the individual or entity becomes the owner or trust beneficiary of the Exclusively Owned Unit;

MASTER CONDOMINIUM. – Any group of two or more Condominium buildings, whether horizontal, vertical or mixed, built over a single property, provided that each of those Condominium buildings retain for itself areas of exclusive use and there are also common areas for all Condominiums that form the aforementioned Master Condominium, such as internal roads, buildings and facilities, etc., and their general Common Areas shall be managed, preserved and maintained by all Condominium buildings belonging to the Master Condominium;

SUB-CONDOMINIUM. – The horizontal, vertical or mixed Condominium building part of a Master Condominium.

CHAPTER II

Formation, Modalities and Extinction of the Condominium Ownership Regime

Article 3. – Co-owners rights and obligations will be governed by the provisions of this Law, of the Civil Code in effect for the State of Quintana Roo, other applicable laws and the regime’s formation charter, the transfer of ownership contract and the respective Condominium regulations.

Article 4. - The formation of the Condominium Ownership Regime is the formal legal act the owner or owners of a property formalize before a Notary Public, expressing their wish to establish that property modality for its best use, and where one two or more persons holding a private right, use, share and have access to common use areas or spaces within the property, assuming conditions that allow them to meet their needs according as per the use of the property, in a convenient and suitable manner for each and all, without harm to their exclusive property.

In order to record it before the Property and Commerce Public Register of Deeds, the owners must first obtain a certificate of urban compatibility that shall be issued by the State Executive through the Ministry of Urban Development, in order to ensure respect to the State Urban Development Plan. To this end, the following documents must be submitted:

- I. Original application signed by the legal representative or owner, addressed to the competent authority;
- II. Title;
- III. Lien clear certificate;
- IV. Land use certificate issued by competent municipal authorities;
- V. Construction Permit issued by the competent municipal authority;
- VI. Document authorizing the Condominium Ownership Regime issued by the by the competent municipal authority;
- VII. Project completion certificate issued by competent municipal authorities or, where appropriate, a copy of the surety providing a guarantee thereof, in the name of the competent municipal authority;
- VIII. Copy of the property tax payment receipt;
- IX. Property’s metes and bounds certification issued by the respective municipal authority; and,
- X. Land Register.

The foregoing notwithstanding other requirements which the Ministry of Urban Development may deem necessary.

Article 5. – Upon their structure and use features, Condominium buildings may be:

I. – As per structure:

- a) Vertical Condominium building. – Established for the property built in several levels built over a common ground, with exclusively owned units and co ownership rights over the land, other elements and common parts of the property for the use and enjoyment thereof;
- b) Horizontal Condominium building. – This is established for properties with horizontal construction where a Co-owner holds exclusive rights over the land and is owner of the building upon it, who may or not share its structure and party walls, holding joint ownership rights to the use and enjoyment of the of the land, buildings and facilities intended for common use;
- c) Urban Land Condominium. – Formed by individual lots, considered as Exclusively Owned Units, upon which each Co-owner will develop its own construction observing technical specifications established by the corresponding municipal authority at the time the respective building permit is granted, as well as general and special Condominium; and
- d) Mixed (or combined) Condominium. – Formed by vertical and horizontal condominiums, which may consist in sets of exclusively owned units, such as: buildings, structures, towers, blocks, sections or zones;

II. – As per its use:

- a) Residential. – Those exclusively owned units intended as residential units;
- b) Commercial or for services. – Those where the exclusively owned units are intended for the respective trade or service, in accordance with their activity;
- c) Industrial. – Where the exclusively owned units are intended for its own trade operations; and
- d) Mixed. – Those where the exclusively owned properties are intended for one or more of the purposes mentioned in the above subsections.

III. – ABROGATED.

Article 6. – ABROGATED.

Article 7. – ABROGATED.

Article 8. – The Condominium Ownership Regime may be formed for new constructions or projects, as well as for existing ones provided that the property meets the provisions set forth by Article 4 of this Law.

I. The building must comply with the provisions set forth by Article 3 of this Law;

II. If the original project undergoes modifications as to the number of private units or whether as to extension or reduction or destination of common areas, whoever formed the Condominium Ownership Regime has the obligation to amend the articles of incorporation before a Public Notary, or otherwise the Assembly through the person it appoints for this purpose, to be done within a term that shall not exceed six months from the date the construction license ends or otherwise its renewal.

Article 9. – In order to form the Condominium Ownership Regime and through a public deed, the owner or owners must state their wishes before the competent municipal authority, and, in addition to the documents referred to in Article 4, shall record:

I. The construction license, or if there is none, the construction regularization certificate issued by the appropriate municipal authority;

II. Location, dimensions, measurements and boundaries of the property that will be subject to the Regime, if located within a complex or collective housing shall specify its separation from other areas. In addition, if a Condominium complex, the boundaries of the buildings or wings, sections or blocks must be precisely detailed in the Condominium regimes within it;

III. A general description of the constructions and quality of materials used or those that will be used;

IV. Description of each exclusively owned unit, its number, location, metes and bounds, areas and parking spaces, if any, that comprise it;

V. The establishment of areas, facilities or adaptations in order to comply with the established norms regarding use thereof by people with disabilities;

VI. Face value assigned to each exclusively owned unit and undivided interests relative to the total face value of the property;

VII. Condominium's features as per Article 5 of this Law, and intended purpose of each exclusively owned unit;

VIII. The description of common property assets, purposes, specifications, location, dimensions, components and all information that allows easy identification;

IX. Cases and conditions upon which the formation charter of the regime as well as the regulations;

X. Construction works completion certificate issued by the competent municipal authority or, as applicable, the 15% deposit of the total value of the Condominium in order to guarantee project completion, and a bond equal to 10% of the total value of the Condominium to answer for the quality of the construction and defects thereof, which will be effective for two years upon the date the Condominium is completely delivered.

Both bonds shall be issued to the respective municipal treasury;

XI. Appointment of administrator, its remunerations, as applicable, powers and capacities;

XII. Co-owners obligation to guarantee payment of the fees for the maintenance and administration fund, and reserve fund;

Attached to the appendix of the charter, the duly certified general plan, project's technical report and drawings for each of the exclusively owned units, layout drawings of hydraulic, electrical, structural, gas and common areas installations including measurements and boundaries; the internal Condominium regulations also certified by public notary as well as a copy of all drawings authorized by the competent authority on the of the Formation of the Condominium Ownership Regime.

Article 10. – The incorporation charter of the property's Condominium Ownership Regime, as well as ownership transfer contracts and other acts concerning ownership over these properties; besides, shall comply with the requirements and budgets of this Law recorded before the Property and Commerce Public Register of Deeds.

Article 11. – Any amendments to the formation charter and to its regulations shall be agreed upon in a Special General Assembly where at least 75 percent of undivided tenancy interest of Condominium shall attend, and its resolutions shall be adopted by a majority vote.

Article 12. – In all contracts for the acquisition of the rights of an exclusively owned unit, it shall be recorded that a non-certified copy of the Condominium formation charter as well as a copy of the regulations have been given to the Co-owner, and thus, in turn, to all new owners.

Article 13. – The voluntary termination of Condominium Ownership Regime will be agreed upon in a General Special Assembly where a simple Co-owners majority shall attend, and a minimum votes that represent 75% of the value of the Condominium and a simple majority of the total Co-owners so as their resolutions may be valid. The extinction of the Condominium Ownership Regime shall be entered into a public instrument and recorded before the Property and Commerce Public Register of Deeds.

SECOND TITLE
ABOUT THE EXCLUSIVELY OWNED ASSETS AND THOSE OF COMMON USE
CHAPTER I
Co-Owner and Exclusive Ownership

Article 14. – As integral part of Co-owners' ownership rights and exclusive use, the elements appertaining thereunto, such as prescribed parking spaces, storerooms, utility rooms, cages for hanging laundry, laundry sinks or any other that are not common elements and have been assigned to them as part of their Exclusively Owned Unit, as per the formation charter.

The Co-Owner shall have the individual and exclusive right over its Exclusively Owned Unit and co-ownership rights over elements and parts of the Condominium which are considered common by the Formation Charter,.

Article 15. – Every Co-owner shall enjoy its rights as owner, under the terms provided by the Civil Code in force for the State of Quintana Roo. Hence, may sell, lease, mortgage, encumber and enter into contracts associated with his/her Exclusively Owned Unit, as well as the respective undivided tenancy interests, as per all contracts to which common law refers, without requiring approval from other Co-owners, with the restrictions prescribed by the Law.

For purposes of respecting Co-owners' right of first refusal , in the event the Exclusively Owned Unit is sold, the owner of the unit shall inform his/her intention of selling by a notice to Co-owners made through a Public Notary or voluntary jurisdiction. The notice shall specify the Unit to be sold, exact marketing price. After notice has been received, he/she or stakeholders will have 15 days to express if they wish to purchase the property and thus begin the respective procedures.

Article 16. – Every Co-owner and, in general, all Condominium residents, may use all common assets and enjoy the services and general facilities in accordance with their nature and original use thereof, without restraining or making the rights of others more burdensome, otherwise he/she will be liable to the penalties provided by this Law, notwithstanding the civil or criminal responsibilities in which he/she may incur.

Article 17. – Every Co-owner and, in general, all Condominium residents, will use their exclusively owned unit in an orderly and quiet fashion. Consequently, the use of the Units may not be contrary to its purposes, not may they have it serve other objects save those expressly contained in the formation charter.

Article 18. – When a Co-owner does not exercise his/her rights or waive the use of certain common elements, he/she shall remain subject to the obligations under this Law, the formation charter, the regulations and other applicable laws.

Article 19. – A Co-owner may use, enjoy and dispose of its exclusively owned unit, subject to the limitations and conditions of this Law and the other provisions established by the formation charter and the regulations.

The Co-owner and his/her tenant or other assignee of the use, shall agree among them who is responsible to meet certain obligations before other Co-owners and in which case the user will represent the Co-owner before Assemblies, but at all times the user will be jointly responsible of Co-owner's obligations.

For all effects and purposes, within the first five working days from the day when the representation was conferred, both shall timely give the respective notice thereof to the Administrator.

In all lease or on loan contracts or any other legal instrument, regardless of its denomination, whereby a third party is given use of an Exclusively Owned Unit, the obligation of the latter to comply with and respect the provisions of the Condominium Regulations must be included, attaching a copy thereof.

Article 20. – Co-owners' right of first refusal shall take precedence over the tenant.

In a sale of an exclusively owned unit, the following provisions apply:

I. If there are two or more Co-owners interested in applying the right of first refusal, precedence shall be given to the one who has been a longest Co-owner.

II. Where two or more Co-owners have the same seniority, the one entitled will be that one who first notifies the bidder with certainty of his/her interest to exercise that right.

Should no Co-owners be interested in the Condominium unit, and once the 15 day term of the notice to exercise the above mentioned right has expired, the benefit shall pass to the tenant, provided that:

I. If the exclusively owned unit is intended for a use other than residential, the provisions of the Civil Code and other related provisions shall be observed, as long as these do not contravene the provisions of this Law.

II. If the use of the unit is intended for a house, the following terms shall be observed:

a) In all cases, the Condominium owner must give the tenant written notice of his/her wish to sell his/her exclusively owned unit, expressing price, terms, conditions and terms of the sale;

b) The tenant will have fifteen days to give the landlord a written notice of their wish to exercise the right of preference set forth by this Article as per the terms and conditions of the offer, presenting the sums payable thereof at the time the offer is accepted, and upon the conditions indicated by this Law;

c) Should landlord change any terms of the original offer, he/she has the obligation to provide a new written notice to the tenant who, as of then, will have a new fifteen calendar day's term. If the change relates to the price, the landlord is only obliged to give further notice when the increase or reduction thereof is higher than ten percent;

Article 21. – Co-owners and, in general, all residents of the Condominium building are forbidden to:

I. Undertake any action affecting the peace and comfort of the other Co-owners and occupants, or that compromises the stability, safety, health or comfort of the Condominium building, nor omissions producing the same results be incurred into;

II. Carry out any act, outside or inside the exclusively owned unit, which prevents or renders the operation of common services and general services inefficient, that may obstructs or hinder the use of the common areas or that jeopardizes the safety or peace of Co-owners or occupants, as well as of people passing through its hallways, foot walks and staircases, and have the obligation to keep their own services and installations in good and operation conditions;

III. Carry out any works, construction or modifications within its exclusively owned unit, such as openings, doors or windows, among others, affecting the architectural appearance of the Condominium or that otherwise damage the structure, load-bearing walls or other essential elements of the building or that may impair its stability, safety, health or comfort;

IV. In residential Condominiums, carry out works and repairs at night, save by force majeure circumstances.

In the case of commercial or service, industrial or mixed (combined) condominiums, the Assembly will agree on the most appropriate times as per the purposes of the Condominium;

V. Decorate, paint or carry out works that modify the façade or exterior walls that disagree with the complex or that contravene what the General Assembly has established and approved;

VI. Tear down or transplant trees, change the use or nature of green areas, save Co-owners agreement representing at least 75 percent of the undivided tenancy interests agree to it and provided that long the applicable environmental law is not contravened, and must be the: the Formation Charter of the Condominium.

Nevertheless, in the event trees pose a risk to buildings or to Co-owners, or otherwise are in poor phytosanitary conditions according the opinion of the municipal environmental regulating agency, the General Assembly will determine the most appropriate actions to follow;

VII. With any material limit-off or paint exclusivity signs, as well as place roofs or build constructions that indicate exclusivity in the common use parking area or within any other commonly used are of the Condominium, except green areas as these may be circumscribed for their protection, as agreed by the Assembly or by whomever the Assembly designates.

Under no circumstances may parking in commonly areas be used for other purposes;

VIII. Owning pets that due to their number, size or nature affect the security, health or comfort of the Condominium building or Co-owners, in all cases, the Co-owners, their tenants or assigns, shall be fully responsible for the actions of the animals that they introduce to the Condominium affecting the Condominium tidiness, health and protection or causing any damage, nuisance, pest or disease to other c-owners and residents thereof, and,

IX. Carry out works within the exclusively owned unit which could jeopardize the safety and physical stability of the building causing danger or risk to Condominium residents or that do not to allow conservation of common areas or its flora, as well those carried out by Co-owners that affect the comfort transit areas in the Condominium building; those which permanently prevent the use of a part of or a common service, even if to a single owner, and those that impair any part exclusive of a Condominium unit.

The execution of works may be carried out only at the General Assembly Co-owners unanimously agree to them, save for the green areas, and, in the latter case, the affected party shall be compensated at his/her full satisfaction.

The Co-owner who fails to observe these provisions shall be liable to pay expenses incurred to repair installations or reestablish services, and shall have the obligation to refrain from carrying out the aforesaid actions, and shall as well be liable for resulting damages; the foregoing notwithstanding the penalty applied thereto.

Article 22. – The execution of works required by mezzanines, floors, pavements or other divisions adjoining Condominiums, as well as their cost, will be mandatory for neighboring Co-owners, provided that the works do not result in damages caused by one of the Co-owners.

In vertically built Condominiums, the expense of works that require exterior roofs and basements shall be borne by all Co-owners.

CHAPTER II

About Assets Considered as Commonly Owned

Article 23. – Common ownership assets of the Condominium, hence cannot be transferred, encumbered or attached, are:

I. The land, basements, entrance doors, façade, foyers, galleries, perimeter walls, hallways, staircases, patios, gardens, open spaces, trails, interior streets; sports, recreation, reception or social gathering facilities as well as the spaces designated for parking vehicles that exceed the mandatory ones, so long as those areas are for general use;

II. The premises for administration, caretaker and caretaker's housing, in addition to those intended for general installations and common services;

III. Works, installations, equipment and other articles used for common use or enjoyment, such as pits, wells, cisterns, water tanks, elevators, hoists, furnaces, ranges, ovens, pumps and motors; sewers, canals, water distribution lines, drainage, heating, electricity and gas; premises and safety works, ornamental and loading areas in general, and the like, save those exclusively serving each exclusively owned unit;

IV. General use foundations, structures, retaining walls, ceilings and roofs; and,

V. Any other parts of the building, premises, works, appliances or installations established as such by the formation charter and the regulations.

Through the Vigilance Committee or the General Assembly, Co-owners shall supervise and require from the administrator to keep a complete and updated inventory of all furniture, equipment and installations described, as well as of those that may hereafter be acquired or discharged.

Article 24. – Commonly owned, only between neighboring exclusively owned units, will be the mezzanines, walls and other partitions shared by Co-owners of the property.

Article 25. – In vertically built condominiums, no Co-owner, regardless of the location of his/her exclusively owned unit, will have more rights than the rest of the other Co-owners.

Unless otherwise provided by the formation charter of the Condominium Ownership Regime, ground floor Co-owners may not carry out works, occupy for their exclusive or preferential use over other Co-owners' hallways, basements, gardens, patios or any other such spaces in that floor considered as common use elements, including intended as light shafts. Moreover, top floor Co-owners may not occupy the roof nor carry out new constructions. The same restrictions apply to all other Co-owners of the property.

Article 26. – For works undertaken in common assets and general installations, the following rules shall be observed:

I. Works required to keep the condominium under proper security, stability and conservation conditions and to have services operate normally and efficiently, will be made by the carried out by the administrator upon the authorization, as applicable, granted by the public administration competent authorities; to do this, the approval of the Vigilance Committee shall suffice, and the costs shall be financed by the maintenance and administration fund, and further reported to the next General Assembly. When the fund is not sufficient or unforeseen works need to be made, the Administrator shall convene a General Assembly so as, pursuant to the Regulations, it may resolve accordingly;

II. In the event of transfer, the owner or owners of the condominium shall warranty clear title. In new constructions, the original owner or owners of the condominium will be responsible for defects or hidden defects of construction, and the respective actions shall be extinguished two years after the affected area has been delivered;

III. In order to carry out new works, save on green areas, which do not imply modifying the Formation Charter and render into a better

appearance or more comfort, approval of the Special General Assembly will be required with Co-owners attending and a minimum of votes representing 51% of the total value of the condominium, except for a Co-owner who holds up to 25 percent of the total value in the condominium; in that case, the approval will be required from at least 75 percent votes of the total value of the condominium ;

IV. In the absence of an administrator, urgent repairs or replacement of common elements and services can be done by any Co-owner, and the expenses therewith dividing the cost equally amongst all Co-owners, upon authorization of the Vigilance Committee;

V. Expenses resulting from the operation, repair, preservation and maintenance of the installations and general services as well as of common areas or assets, shall be borne by all Co-owners in the same proportion as their ownership percentage represented in the undivided tenancy interests of the condominium building.

VI. For expenses originated by the electric power, water and other services to common assets or areas, these shall be covered as per the provisions in set forth in the preceding section. The service provider or supplier shall include the respective amount in the invoice or receipt individually issued to each Co-owner for the services rendered to his/her exclusively owned unit.

Article 27. – Agreements may be entered into with competent authorities in order to establish control and surveillance services to gardens, open areas, streets, parks and others that are part of the common areas an elements, provided that the General Assembly has agreed to it and in accordance with Article 31, section III. This shall not impede the Assembly from engaging professional services for these purposes.

THIRD TITLE
ABOUT THE ORGANIZATION AND ADMINISTRATION OF
THE CONDOMINIUM OWNERSHIP REGIME
CHAPTER I

On the Authority and Attributions of the Assembly

Article 28. – The Condominium Ownership Regime shall be managed by the General Co-Owners’ Assembly who, in turn, must abide by the Public Deed that resolves on the organization and social operation thereof, and shall appoint an administrator to carry out such duties.

The Assembly shall have a Chairman, a Secretary and, at least, two vote tellers appointed by it.

Regular Assembly shall be those convened to address the matters referred to by Article 31 of this Law, save for Section I as this shall be dealt with in Special Assembly where destruction, ruin, dilapidation, expropriation or transfer of the Condominium shall also be dealt with pursuant to the applicable legal provisions on matters of reconstruction, demolition, division and even transfer of assets that integrate the Condominium Ownership Regime.

The Assemblies of a Master Condominium shall be in group, therein resolving assumptions concerning master condominium’s common areas comprising different parts such as, for example, several staircases, patios, gardens, works and installations intended to serve only one condominium building, whereas the special assessments shall be borne by the group of Co-owners beneficiaries thereof; including cases regarding staircases, elevators, hoists and other elements, equipments or installations for the exclusive use of the respective condominium building. The Condominium Regulations shall be established in accordance with the undivided tenancy interests in the mater condominium and the list of undivided tenancy interests of sub-condominiums, special rules for allotment of said expenses, as well as those to regulate Administrators’ meetings, when the condominium has been organized upon sections or groups, or in the case of a Master Condominium.

Assemblies shall adhere to the following provisions:

I. Regular Assemblies shall compulsorily be held at least once every six months, and Special as well as group Assemblies, as many times as called as provided by this Laws, the Formation Charter and Condominium Regulations;

a) ABROGATED.

b) Special Assemblies shall be called with the anticipation of the circumstances that so require them, and the remaining matters shall be subject to the provisions of this Law and the Internal Condominium Regulations.

II. The value of each Co-owner’s votes shall be equal to his/her respective undivided tenancy interest which appears in the Formation Charter and the respective public instrument where 2.1 ownership is recorded;

In elections, reelections or removal of the Administrator, of the members of the administration or of the Vigilance Committee, each Exclusively Owned Unit shall be entitled to one vote, event those mixed (or combined) condominium buildings who hold Units for residential or tourist-residential use. Excluded are commercial, offices, storage, industrial and parking condominiums, where votes shall be as provided in the preceding paragraph.

III. Votes shall be by call and direct, however, the Condominium Regulations may authorize representation through a non-certified proxy letter signed before two witnesses, but in no case may one person represent over 30% of the Co-owners nor may the representation be held by the Administrator or Vigilance Committee members.

IV. Resolutions of the Assembly will be made by a simple majority vote of those present; except in cases where this Law and Condominium Regulations, without contravening this one, prescribe a special majority;

IV. Resolutions of the Assembly will be adopted by a simple majority vote of those present; except in cases where this Law and Condominium Regulations, without contravening this one, prescribe a special majority;

V. Appointments of the Administrator, of the management committee and, as applicable, the Vigilance Committee shall be for one year, and may be reelected up to two consecutive times for the immediately following period, unless co-owners that do not exceed 20 Exclusively Owned Units unanimously approve. The exception to the foregoing is the external administration;

VI. In cases where a single Co-owner represents over 50% of the undivided tenancy interests of the Condominium and the remaining Co-owners do not attend the Assembly, even upon advance call as per this Law, the Assembly may be held under the terms of Article 29 and 30.

VII. For resolutions to be valid in cases where a single Co-owner represents over 30% of the undivided tenancy interests of the Condominium, at least half of the votes representing the remainder of the said undivided interests are required. When no valid agreement is reached, the majority Co-owner or the minority group may resort to mediation, or submit the dispute to arbitration or court resolution. Exception is made when administrator or members of the management and vigilance committees are elected, whereas resolutions shall be adopted by a simple majority vote at the Assembly;

VIII. The secretary will transcribe the minutes of the Assembly in the book that the Co-Owners' Assembly has authorized for that purpose. In turn, the minutes will be authorized, and in this order, by the secretary, the Assembly's chairman of debates, the vote tellers and vigilance committee members, should they attend, and, as applicable, by the Public Notary;

IX. The secretary shall always keep at Co-owners' sight, the minute book and make a written report to each of them concerning the resolutions adopted by the Assembly.

Notwithstanding applicable provisions to Co-Owners' Assemblies, co-owners may agree on other mechanisms and ways to make decisions and agreements to achieve a better Co-owners' administration.

If a resolution is ordered to modify the Condominium Formation Charter and/or its Regulations, the record shall be formalized before a Public Notary so as he may proceed to put it on record before the Public Register of Deeds;

X. - For the effects of votes in Assemblies, these may be done through electronic voting and communications from foreign or national Co-owners who are not in the place where the Condominium building is; provided, however, that such method's interpretation and application submits to the principles of technological neutrality, free will, international compatibility and functional equivalence of the message data in regard to information documented in non-electronic media and electronic signatures associated with the handwritten signature.

No legal effects, validity or enforceability shall be denied to any type of information on grounds that its contents are in a data message.

For the effects of Co-owners votes and assorted communications provided for in the formation charter of the regime or in the respective Regulations, electronic, optical or other technology media may be used, including video conferencing.

XI. When due to the importance of the issue or issues to be discussed in Assembly, the Administrator the Vigilance Committee and at least 25% of Co-Owners may request the presence of a Public Notary; and,

XII. Co-owners or their representatives may attend the Assembly, accompanied by lawyers, accountants and/or translators, but only one may have the floor before the Assembly; therefore, at the time the attendance roll is called, the condominium owner must make the appointment thereof.

Article 29. – As for the procedure to hold Assemblies, as applicable, the following provisions must be complied with:

When the Assembly is held on first call, a quorum of 75% undivided interests in the condominium is required; when held on second call, the quorum must be of at least 51% undivided interests in the condominium.

In case of a third or further call, the Assembly will be declared legally convened with the attending Co-owners and resolutions shall be made by majority of those present.

Article 30. – Calls for Assemblies, must meet the following requirements:

I. The Call shall indicate the type of Assembly, the place where it will be held within the Condominium, or, as applicable, as established by the Regulations but in no case outside the municipality where the Condominium is located, and the date and time it will be held, including the agenda and the convener, and

II. Between the first call and the time when the respective Assembly is held, a minimum period of time shall elapse as established by the Condominium Regulations or otherwise should in no case be less than fifteen calendar days. Between the second call and the time when the respective Assembly is to be held, at least a 24 hour period of time should elapse; and between the third or subsequent call, ten minutes.

ABROGATED.

When a group of Co-owners holding at least 25% of the undivided tenancy interests in the Condominium have requested to the Administrator, in writing, their wish to hold an Assembly clearly specifying the subjects and items that will be addressed, in case the Administrator did not call it within the following ten business days, Co-Owners may show proof of the foregoing before the Civil Judge of First Instance Court or before the Alternative Justice Center so that it may proceed with the publications of the aforementioned Call and may not vary the items previously requested.

Also, as provided by Article 40, Section IX, the Vigilance Committee may also call to Assembly.

In cases of extreme urgency, an Assembly will be called with the anticipation required by the circumstances.

Determinations adopted by Assemblies under the terms of this Law, the Formation Charter, the Condominium Regulations and other applicable laws, are mandatory for all Co-Owners including absentees and dissidents.

III. – Co-owners or their representatives will be notified through the reliable delivery of the Call at their respective Exclusively Owned Unit or through the electronic mail address indicated to that effect, and record of said notice shall be held by the Condominium administration.

Article 31. – Co-owners' Assemblies shall have the following powers:

I. Amend the Condominium's Formation Charter and approve or amend the Regulations thereof, consequently their entries shall be recorded before the Public Register of Deeds, in the cases and conditions as provided by each one;

II. Freely appoint and remove the Administrator or Administrators, under the terms set forth by this Law, by the Formation Charter and the Condominium Regulations, except for those who are in office for the first year, as these shall be the appointed by those who execute the Condominium Formation Charter;

The Administrator or Administrators will have the authority to act on behalf the General Co-Owners' Assembly and may or not be any of the Co-Owners; the Assembly shall determine their remuneration, although it can be waived by any Co-Owner who accepts to serve without compensation;

III. Specify obligations and powers of the Administrator before others and those necessary in regard to Co-owners, as per the Formation Charter and Condominium Regulations;

IV. Establish and modify Co-owners' default rate if these fail to pay maintenance and administration fees as well as for the reserve fund;

V. Upon the terms of the preceding sections, appoint and remove Vigilance Committee members;

VI. Decide on the type and amount of the surety bond that the Administrator must provide for due performance of duties and management of the maintenance and administration funds, and the reserve fund for replacement of hardware;

VII. Review and, where appropriate, approve the statements submitted by the Administrator for Assembly's consideration as well as the annual activities' report provided by the Vigilance Committee;

VIII. Discuss and, where appropriate, approve the expense budget for the following year, establishing the fees earned by the Administrator and other employees;

IX. Establish Co-owners' dues to form a fund for maintenance and administration expenses and the reserve fund, for the purchase of hardware and equipment which the Condominium must have;

X. Instruct the Vigilance Committee, or whomever the Assembly designates, to proceed with the competent authorities when the Administrator or Administrators breach this Law, the Condominium Regulations, the Condominium Formation Charter and any applicable laws;

XI. Adopt relevant measures on matters of common interest not included within Administrator's duties; and,

XII. Other powers thereunto conferred by this Law, the Condominium Regulations, the Condominium Formation Charter and other applicable provisions.

Article 32. – Co-owners' failure to pay the fees for the maintenance and management fund, and the reserve fund and the special assessments, will suspend their voting rights for as long as payment default continues.

However, a Co-owner whose voting rights are suspended, his/her representative, or as applicable, the duly authorized tenant, may freely attend Assemblies and give his/her opinion on matters that are therein addressed.

In such situation, the undivided tenancy interests of the Exclusively Owned Unit whose owner or tenant has defaulted will not be taken into consideration for the considered for the effects of the Assembly record.

CHAPTER II

On the Appointment and Powers of Administrators

Article 33. – The administrator or administrators of the Condominium Ownership Regime is the individual or company designated by the Assembly under the terms of this Law and the Condominium Regulations.

In order to hold the office of Administrator, he/she/it must prove experience in condominium management or, as applicable, prove he/she/it have taken management courses on Condominium matters. This requirement could be waived by the Assembly through Co-owners' votes representing 75% undivided tenancy interests in the Condominium.

Article 34. – In a situation where Co-owners decide for self-administration, the Administrator will be elected by the Assembly from amongst its own Co-owners, remaining in office for as long as the Assembly may decides and performance thereof shall not generate, in any case, labor rights.

When a Co-owner is appointed as Administrator, as member of the administration committee or the Vigilance Committee, he/she must prove his/her maintenance and administration fees as well as those of the reserve fund are current, from the beginning and for as long as he/she remains in office.

Article 35. – When the Assembly decides to engage professional services for the administration of the Condominium, it shall designate the person or persons who will be in charge of entering into the respective contract, as per the applicable Law, whereas it will be established that the administrator receiving payments for services rendered, shall issue a receipt that meets the requirements provided by the Federal Tax Code.

Article 36. – The Administrator must:

- I. Keep a book of Assembly minutes, duly authorized by the Vigilance Committee;
- II. Look after, supervise and maintain Condominium's common assets, installations and services in good conditions, and promote integration, organization and community development.

Common services also include those which in turn are common with other Co-owners, as is the case for Master Condominiums. Provision of these services and problems that may arise due to the proximity of the Condominium with others, will be resolved in the respective Assemblies of each Condominium, where each Administrator shall represent the respective Co-owners before the General Administrator Board and where appropriate instructions will be agreed to for the General Administration Committee of the Master Condominium;

III. Collect and keep, for the term in office, books and documents relating to the Condominium, and which at all times must be available for inspection by Co-owners or their representatives, delivering them to subsequent administrations;

IV. Undertake all administration and preservation acts required by the Condominium's common areas; as well, shall hire the electric power supply and other goods and services necessary for the installations and common areas, prorating between Co-owners the sum total of the service or good upon their corresponding undivided interests;

V. Carry out the necessary works upon the terms of Section I, Article 26 of this Law;

VI. Carry into effect the resolutions of the Assembly, unless the Assembly designates another or more persons thereunto;

VII. Collect from Co-owners, their respective contributions to the maintenance and administration fund and to the reserve fund, as well as special assessments. In order to be able to achieve said collection and on behalf of the Condominium, may engage banking, legal, investment or accounting services as authorized by the Assembly;

VIII. Cause Condominium maintenance and administration expenses, borne by the respective fund, upon the terms of the Condominium Regulations;

IX. Issue a receipt in the name of the Condominium or the Administrator, meeting the requirements provided by Article 29-A of the Federal Tax Code, to each Co-owner for the fees paid to the maintenance and management fund, as well as for the reserve fund or otherwise; these receipts shall express, accordingly, each Co-owner's settlement account balances of;

X. Monthly, bimonthly or as otherwise determined by the Assembly, deliver to each Co-owner, upon due record of whoever receives it, a statement showing:

a) An itemized list of the month or previous months' collections and expenses borne by the maintenance and administration fund;

b) A consolidated statement showing the amounts of contributions and fees pending payment. The Administrator shall make available to the Co-owners who so request it, a list of Co-owners stating the amounts each paid both for the maintenance and administration fund as well as to the reserve fund, stating fees pending payment;

c) The balance of the maintenance and administration fund, and purposes for what it will be used during the following month or, as applicable, the amount and relation of outstanding dues;

d) Balances on bank accounts, investment resources, mentioning interests held by the Administrator;

e) The above information must be sent by means of electronic data messages and communications of foreign and national Co-Owners, provided, however, that such method's interpretation and application submits to the principles of technological neutrality, free will, international compatibility and functional equivalence of the message data in regard to information documented in non-electronic media which, to that end, have been indicated to the Condominium administration;

The Co-owner may bring forth before approval, accordingly, of the Assembly any observations or objections he/she deems appropriate on the documents mentioned in the preceding item. After the term has elapsed, it will be considered it has been agreed to, subject to Assembly's approval, upon the terms of Article 31, Section VII;

XI. Call to Assembly as provided by Articles 29 and 30 of this Law;

XII. Enforce, with the representation of the other Co-owners, compliance of the provisions of this Law and the Regulations;

XIII. Look after due compliance of the provisions of this Law, the Condominium Regulations and Formation Charter;

XIV. File the Regime Formation Charter as well as any amendment instruments thereto, before the Public Register of Deeds;

XV. Regarding common assets and interests of the Condominium, the Administrator shall hold general powers for lawsuits, collections and asset administration acts, including powers that may require a special clause as per the Law, to pose and answer interrogations, to file complaints and lawsuits, dismiss from and drop charges, and appoint attorneys with specific powers as required in each case.

Together with the Chairman of the Vigilance Committee, open checking accounts, issue checks and, when it is so decided by the Assembly, appoint authorized signatories for these accounts management;

XVI. Comply with the provisions set forth by the Civil Protection Act and its Regulations. The measures adopted and decisions issued by the Administrator within its duties and upon the Law and Condominium Regulations, shall be mandatory on all Co-owners. The Assembly, by a majority set by the Condominium Regulations, may modify or revoke Administrator's measures and decisions;

XVII. Perform such other duties and comply with the obligations established for the Administrator by the Formation Charter, the Condominium Regulations, by this Law, and by other applicable laws;

XVIII. Within no more than thirty days from the Assembly where appointed, shall register before the Property and Commerce Public Register of Deeds, his/her/its appointment as Condominium Administrator; to this end shall attach a certified copy of his/her/its official identification, curriculum vitae with documentation to support it, criminal record clearance certificate, as well as the Minutes of the Assembly signed by Co-Owners duly formalized before the authority of a Public Notary.

The above for the effects of representation before courts, administrative and tax officers, individually or jointly with other professionals who have been designated in the Assembly or by the Formation Charter.

Article 37. – When the Co-owners' Assembly appoints a new administration, the outgoing administration has the obligation to deliver to the incoming administration, within a term not exceeding seven calendar days from the appointment day, all documents pertaining to the Condominium, including statements, check books, book of minutes, Co-owners registration, both cash values as well as in instruments, contracts, real estate and other property, as well as assets under his/her/its safekeeping and responsibility, this may only be postponed by

court ruling, upon penalty of paying resulting harm and damages, notwithstanding other civil and criminal actions that may be enforced against his/her/it in accordance with laws in effect. On the matter of the delivery referred to by this Article a detailed report must be drawn, signed by the persons therein involved.

At any time, the Assembly may determine a documentary, financial and accounting audit to be carried out to the current Condominium administration in office and to the outgoing.

CHAPTER III

About the Election and Integration of the General Administration and Vigilance Committees of Master Condominiums

Article 38. – In Master Condominiums for the Administration of all common areas, an Administration Committee may be elected, consisting of:

- a) And administrator whose duties, obligations and powers will be those contained in Article 36 of this Law;
- b) A secretary, who will be in charge of administrative activities related to updating and managing the books of Assembly's minutes, of the files and other documents necessary for the proper operation of the administration; and,
- c) A Treasurer, who will be responsible of the internal administration accounting management and will be jointly responsible with the Administrator of having the administration statements up to date, having no availability or exercise thereof.

Article 39. – For the election of members of the General Administration Committee of a Master Condominium a General Administrators' Meeting shall be held pursuant to the provisions of Article 29 of this Law, calling each of the Condominium Administrators that integrate the Master Condominium, in order to elect a General Administration Committee through their votes, understanding that, for all legal effects and purposes and for all cases, each Administrator shall be the representative of his/her/its respective Condominium building.

In the second General Administrators' Meeting, which may not take place later than 60 days after the first concluded, through a simple majority of votes they shall approve the Regulation that will govern their organization, therewith itemizing the powers and obligations of the General Administration Committee.

CHAPTER IV

On the Vigilance Committee

Article 40. – The Vigilance Committee shall be elected by the Assembly and shall hold office for one year, with the possibility of being reelected, serving in an honorary capacity, and its members must certify to be current on the payment of their maintenance and administration fees as well as those for the reserve fund, from the beginning and for as long as their duties last.

The election of the Vigilance Committee for the General Master Condominium will be regulated under the same terms of the preceding paragraph. This type of organization for the Condominium administration can also be applied to any Condominium building when and as determined by the respective Condominium Assembly.

The Vigilance Committee may be formed by a chairperson, a secretary and members who as determined by the Condominium Assembly. In this last case, a minority representing at least 25% of the total number of the Co-owners shall be entitled to appoint one member of the committee.

The Vigilance Committee shall have the following roles and duties:

- I. Make sure that the Administrator complies with the resolutions of the respective Co-owners' Assembly;
- II. Supervise that the Administrator carries out its duties;
- III. Oversee the hiring and termination of professional services agreed by the Administrator, when so has been agreed to by the Assembly;
- IV. Accordingly, give its approval to the works referred to by Article 26, Section I;
- V. Check and determine the statements that the Administrator must present before the Assembly;
- VI. Corroborate and supervise the reserve fund investment;
- VII. Report its observations on the administration of the Condominium to the Assembly;
- VIII. Assist the Administrator with observations made to Co-owners regarding compliance of their obligations;
- IX. Convene a Co-owners Assembly, when Co-owners have thus required the Administrator and the Administrator has not done so within the following ten days of the request;

Also, when in their opinion it becomes necessary to inform the Assembly of irregularities incurred into by the Administrator; notifying the Administrator so he/she/it may appear before the respective Assembly;

X. Request the presence of a Municipality representative or of a Public Notary in the cases provided in this Law.

The Chairperson of the Vigilance Committee together with the Administrator, may open checking accounts, draw checks and, when so decided by the Assembly, appoint authorized signatories for said accounts management; and

XI. Others resulting from this Law, from the application of other Laws that impose the duties of their office as well as from the Formation Charter and the Condominium Regulations.

FOURTH TITLE
ABOUT THE OBLIGATIONS AND RIGHTS
RESULTING FROM THE CONDOMINIUM OWNERSHIP REGIME
CHAPTER I
On Condominium Regulations

Article 41. - The Condominium Regulations must be added to the Schedule of the Formation Charter and be delivered to each of the buyer, and must contain at least the following:

I. Co-owner's rights and obligations pertaining to common use goods and services, as well as the limitations to which the exercise of the right to use such goods and services is subject;

II. The grounds to determine contributions which, through installments, must be made by the Co-owners and which will be used to form the maintenance and management fund, and the reserve fund;

III. Appropriate measures for the best administration, maintenance and operation of the Condominium building, in addition to those necessary to integrate committees on civil protection and public safety;

IV. The necessary arrangements for integration, organization and development of the community;

V. The way the Co-owners' Assembly will be convened and the person who shall preside it;

VI. The designation and duties of the Administrator and of the Administration and Vigilance Committees;

VII. Requirements which the Administrator, members of the Administration and Vigilance Committees must meet, as well as their powers;

VIII. The basis of remuneration, if any, for the Administrator as well as on the surety bond he/she/it must extend, if any;

IX. Grounds for the removal of the Administrator, of the members of the Administration and Vigilance Committees;

X. Grounds for amending the Formation Charter and the Condominium Internal Regulations;

XI. Establish provisional measures in the event of Administrator's temporary absence;

XII. Determination of criteria for the use of common areas, especially those that will be exclusive for people with disabilities, whether Co-owners or any occupant;

XIII. Determine, accordingly, measures and restrictions both pets, both in Exclusively Owned Units as well as within common elements;

XIV. ABROGATED.

XV. Determine criteria for matters that require a special in the event of vote;

XVI. Grounds for the integration of a Civil Protection Internal Program;

XVII. The preventive measures to grant common areas subject to lease or for business to third parties, establishing term and respective guarantees for compliance thereto; and

XVIII. The matters reserved thereto by the Formation Charter and this Law.

The Regulations may establish the obligation of each Co-owner as to taking out insurance with a legally authorized company, of their choice, against hydro-meteorological occurrences, earthquake, flood, explosion or fire and liability insurance coverage.

The Condominium Regulations and amendments thereto shall be part of the Formation Charter or otherwise be attached to its schedule and be recorded before the Public Register of Deeds.

CHAPTER II

On the Fees for Common Expenses and Obligations

Article 42. – Co-owners' contributions to the Maintenance and Administration Fund and to the Reserve Fund must be done as follows:

I. Maintenance fees to which the preceding paragraph refers will not be subject to compensation, personal exemptions, or any other assumption that may condone payment thereof;

II. The payment of these fees may be divided into monthly installments, paid in advance or as decided by the General Assembly. The amount of funds will be integrated in proportion to the co ownership rights of each Co-owner, associated with the provisions of Article 9, Section VI of this Law. The first contributions to each of the funds shall be determined in the Condominium Regulations;

III. While not used, both funds may be invested in on demand investment securities with the highest market yields, preserving the necessary liquidity so as to be able to afford short-term obligations; and,

IV. As for commonly owned areas subject to lease or intended for business, the Co-owners' Assembly will dictate, dictate the term and respective compliance guarantees.

In the case of Sections III and IV, the Assembly will annually determine the percentage of the proceeds or profits earned that must be applied to each of the Condominium funds.

Article 43. – Common expenses fees generated by each Co-owner and not paid timely on the dates and upon the formalities established in Assembly or by the respective Condominium Regulations will bear the interests provided for by the Regulations or, as applicable, by the Assembly, and will not be capitalized; regardless of the penalties applicable to Co-owners due to their payment failure.

The statement that reflects outstanding dues, default interests and/or contractual penalty specified by the Condominium Regulations shall be enforced by civil proceedings, if subscribed by the Administrator or by the chairperson of the Vigilance Committee, together with the respective unpaid receipts and a copy certified by Public Notary of the respective Assembly Minutes and/or Condominium regulations, as applicable, where the fees payable by Co-owners for the maintenance and administration fund and for the reserve fund were determined. This action can be enforced only when three regular fees and one special assessment are pending payment.

The Condominium Regulations may provide that, when a Co-owner is in default, the Administrator will distribute the outstanding and continued dues amongst the remaining Co-owners, in proportion to the value of their properties, until the debt is recovered, and several penalties may be provided for in order to enforce payment. When the outstanding dues are recovered, the Administrator shall reimburse the affected Co-owners for the sums provided as well as interests upon their respective proportions.

When the services in private areas are paid with resources from the Condominium Maintenance and Administration Fund or Reserve Fund, upon authorization from the Vigilance Committee, the Administrator may suspend those services to the Co-Owner who does not comply timely with the maintenance and administration or the reserve fees, except for the water service.

Article 44. – The Co-owner who repeatedly fails to meet his/her obligations and incurs into contraventions of this Law, the Formation Charter and the Condominium Regulations, regardless of being liable for harm and damages caused to the others, may be sued and forced to sell his/her rights, even by public auction, respecting the preferential or first refusal right, if applicable.

The exercise of this action will be resolved at the Special Co-Owners' Assembly by resolution approved by those who represent a minimum of 75% of the undivided interests in the Condominium. The delinquent Co-owner shall also be called to said Assembly so as he/she may express whatever may be for his/her best interests.

Article 45. – If an occupant, who is not an owner, fails to meet his/her obligations or contravenes the Condominium Regulations, the Administrator will file a suit against the occupant and against the Co-owner under the terms of the preceding Article

Article 46. – When a purchase contract is entered into in regard to an Exclusively Owned Unit, the Public Notary who draws the respective deed shall demand from the seller a non-indebtedness certificate and, amongst others, the payment of the maintenance and administration and reserve fees, duly signed by the Administrator.

Article 47. – Co-owners shall pay their respective municipal, state and federal taxes levels, concerning both their Exclusive Property as well as their percentage over common assets and areas.

CHAPTER III

On Condominium Liens

Article 48. – Condominium liens are divisible between the different Exclusively Owned Units.

Every Co-Owner shall answer only for the lien over his/her Exclusively Owned Unit and proportionately for common property upon the

provisions of Article 15 of this Law. Any clause or warning that provides for Co-owners' joint obligation over common assets, in order to answer for a lien, shall be regarded as not provided for.

Article 49. – The credits arising from obligations contained in the formation charters and in transfer of ownership, by the Condominium Regulations or by this Law and other applicable provisions as well as payment of fees or any other cash obligation, are guaranteed preferably the respective Exclusively Owned Unit, understanding that its priority will be subject to the provisions of this Law and that, in any case, the credit will only have preferential right for child support, even if the Exclusively Owned Unit is transferred to others.

Any stakeholder may obtain from the Administrator a settlement of outstanding dues, which shall become effective only if it signed by Chair of the Vigilance Committee or by whom may replace him/her.

In order to legally proceed, the provisions of the second paragraph in Article 48 of Law must be observed.

FIFTH TITLE
ABOUT CONDOMINIUMS INTENDED FOR
LOW INCOME AND/OR POPULAR HOUSING
CHAPTER ONE OF ONE

Article 50. – ABROGATED.

Article 51. – ABROGATED.

Article 52. – ABROGATED.

Article 53. – ABROGATED.

Article 54. – ABROGATED.

Article 55. – ABROGATED.

SIXTH TITLE
ON CONDOMINIUM CULTURE
CHAPTER ONE OF ONE

Article 56. – Condominium culture is understood as everything that contributes to generate the actions and attitudes that allow, in healthy coexistence, compliance of the Condominium Ownership Regime. Understanding that respect and tolerance, responsibility and compliance, responsibility and participation, solidarity and mutual acceptance are necessary elements thereto.

City officials and the Executive Branch of State, in coordination with housing agencies, at the request of the dwellers and Administrators real estate properties under the Condominium Ownership Regime, when these are condominiums, will provide guidance and training through different courses and workshops on condominium matters.

Abrogated.

Article 57. – Any person who is an Administrator, member of the Administration or Vigilance Committees, must have the necessary experience in order to carry out his/her duties.

Article 58. – City officials and the Executive Branch of State shall promote the Condominium Culture within the State upon the spirit and principles of this Law.

Article 59. – City officials and the Executive Branch of State, in coordination with educational institutions, will implement the necessary mechanisms so as the culture on condominium matters be spread and taught in different education levels.

SEVENTH TITLE
ABOUT THE DESTRUCTION, RUIN AND RECONSTRUCTION OF THE CONDOMINIUM.
CHAPTER ONE OF ONE

Article 60. – If the property subject to the Condominium Ownership Regime would be in ruins or partial or total destruction, as per expert appraisal carried out by competent authorities or an expert appraiser on the matter, a qualified majority of Co-owners representing at least 75 % the undivided tenancy rights in the Condominium, may resolve to reconstruct the common areas or otherwise their sale, as per this Title, the laws on urban development and others applicable.

In the event the decision be to reconstruct the property, each co-owner has the obligation to pay for the repairs of his/her Exclusively

Owned Unit and all Co-owners have the obligation to pay for the repairs of the common areas, in proportion to the undivided interests of their Exclusively Owned Units.

The minority Co-owners who not choose to reconstruct, or when their Exclusively Owned Unit has been totally destroyed, they must transfer their ownership rights as per the commercial appraisal value, within no more than six months.

For the effects of the preceding paragraph, the Co-owners' Assembly may agree to buy the ownership and co ownership rights in order to increase the Condominium's common areas, consequently increasing the value of co ownership rights of purchasing Co-owners, in which case the respective modification must be done to the Formation Charter.

Article 61. –In accordance with the provisions of this Title if total extinction of the Regime is chose, division of the common assets or their sale must be decided upon, in proportion to the undivided interests of the respective Exclusively Owned Unit it.

EIGHTH TITLE
ABOUT MARKING-OFF ACCESSES IF
NEIGHBORING THE FEDERAL MARITIME-LAND ZONE
CHAPTER ONE OF ONE

Article 62. – ABROGATED.

Article 63. – ABROGATED.

NINTH TITLE
ON CONTROVERSIES AND PROCEDURES
BEFORE THE ALTERNATIVE JUSTICE CENTER

Article 64. – The Alternative Justice Center will have competence to hear controversies between Co-owners, or them and their Administrator, when the sum total of the matters do not exceed 750 times the minimum wages in effect in the State, as per the procedure provided by Article 2 of the Law on State Alternative Justice.

Article 65. – The alternative proceeding will be followed in accordance with the provisions of the Seventh Chapter of the Law on Alternative Justice. Agreements between the parties entered under this proceeding, will have the status of a matter settled in court (*res judicata*.)

Article 66. – ABROGATED.

TENTH TITLE
ABOUT PENALTIES

Article 67. – Co-owners who fail to comply with the obligations imposed to them by this Law, by the Condominium Regulations and by the Formation Charter of the Condominium statutes, may be penalized by:

I. – Penalties applicable for failure to observe the provisions of Sections I, IV, V, VII and VIII of Article 21 of this Law, will consist of 20 to 40 days of general minimum wages in effect for the State;

II. – A penalty consisting of 15 to 100 days of general minimum wages in effect for the State to Co-owners or residents who fail to comply with the obligations set forth by Sections II, III, VI and IX of Article 21;

III. – A penalty consisting of 100 general of minimum wages days in effect for the State and cover the cost that is generated by the repair or restitution of common use goods, services or areas that may have been damaged by misuse or neglect; and,

IV. – A penalty consisting of 10 to 150 days of minimum wages days in effect for the State, payment of default interests upon the terms established by the Regulations or, accordingly, by the Assembly, and the restriction of voting rights in Assemblies, for not meeting the term established for the fees pertaining to the maintenance and administration fund and reserve fund, as provided by the Assembly.

Article 68. –The penalties provided for in the preceding Article shall be imposed and assessed by the General Assembly who, as the supreme authority, will assert them through the enforcement proceedings referred to by Article 43 of this Law. As well, the delinquent Co-owner will be called to said Assembly so as he/she may express whatever may be for his/her best interests.

This decision must be approved service by the vote of over 50% of the undivided tenancy interests in the Condominium and will be duly notified within the following five days.

TRANSITIONAL ARTICLES:

FIRST. – This Law shall be in force on the day following its publication in the Official Gazette of the State of Quintana Roo.

SECOND. – The Condominium Ownership Regimes formed before the effectiveness of this Law, will remain being ruled by their Formation Charters and Regulations, however modifications done thereto from the date this decree enters into force, must adhere to the provisions of this Law.

TRANSITIONAL ARTICLES OF DECREE NUMBER 448 PUBLISHED ON 22 MARCH 2011

ONE OF ONE. This Decree shall enter into force on the day following its publication in the Official Gazette of the State of Quintana Roo.

HONORABLE CHAMBER OF THE LEGISLATIVE POWER IN THE CITY OF CHETUMAL, STATE CAPITAL OF THE STATE OF QUINTANA ROO, ON THE SIXTEENTH DAY OF MARCH, TWO THOUSAND ELEVEN.

Published: November 30, 2010

| Date, Month and Year | Decree Number: Decree No. | Amended Articles: |
|-------------------------|------------------------------|---|
| March 22, 2011 | 448 | The Articles AMENDED are 4, 5, 8, 9, 11, 20, 21, 23, 28, 29, 30, 40, 41, 43, 48 and 56, ABROGATED ARTICLES ARE 6 , 7, 50, 51, 52, 53, 54, 55, 62, 63 and 66; the TENTH TITLE named as "ABOUT PENALTIES" is ADDED. |