

*LAST AMENDMENTS PUBLISHED IN THE OFFICIAL GAZETTE: JULY 24, 2004.*

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DECREE No. 160.- Amendment to Article 947 of the Colima State Civil Code.

GRISELDA ALVAREZ, Constitutional Governor of the Free and Sovereign State of Colima, hereby advises its inhabitants:

That the State Congress has instructed me to publish the following Decree:

THE CONSTITUTIONAL CONGRESS OF THE FREE AND SOVEREIGN STATE OF COLIMA, EXERCISING THE POWERS CONFERRED BY ARTICLE 33, SECTION II OF THE STATE POLITICAL CONSTITUTION ON BEHALF OF THE PEOPLE, AND

W H E R E A S:

The State is concerned with seeking and finding the best solutions for the appropriate and efficient use of the state's territorial land, for which reason it has examined the need to create a new legal and administrative framework providing for the objective and efficient resolution of problems derived from urban growth, providing the required security and tranquility.

The State Government is trying to solve the problems faced by human settlements and their actions in the framework of socioeconomic development, developing policies and strategies to provide the authorities and citizens with fundamental planning tools, enabling their involvement in a process requiring the participation of all.

The accelerated development occurring in the State and the human development and territorial problems gave rise to the inescapable need to have a State Urban Development Plan as a guiding instrument to adequately govern growth in accordance with the Law.

It was found that to be in accordance with the Law and the State Urban Development Plan it was necessary to develop a legal framework and structure with respect to urbanism and housing, so as to solve human settlement problems or the protection of organized groups.

In a search for an appropriate basis for new techniques, with the greatest number of provisions possible and a modern sense of urbanism in accordance with our needs and specific problems, problem-solving for condominiums, among other things, was studied with a real interest in trying to find urban development solutions for the State.

The condominium regime established by Article 947 of the Civil Code is one of the forms or solutions most currently used to solve housing needs and to ensure the guarantees and solvency of investment.

The condominium regime established by the aforesaid Article 947, as established, is presently insufficient and inadequate to solve the multiple problems faced by condominium ownership. Thus, it is necessary to broaden the structure of the rules, promoting the development and furtherance of collectivity with the greatest public safety possible, offering the incentives that our territory requires with regard to ownership and human settlements. It is therefore indispensable to establish and legally

regulate horizontal and mixed condominiums in addition to the vertical condominiums already established and regulated, thereby completing the legal and regulatory framework to enable the advancement of urban development in the State, along with the housing security that this rules afford to citizens.

Based on the above, I hereby issue the following:

## DECREE NO. 160

ARTICLE ONE.- Article 947 of the Colima State Civil Code is amended to read as follows:

ARTICLE 947.- When the different floors, apartments, dwellings, homes or sites of a property, built vertically, horizontally or mixed, subject to independent use with its own exit to a common element or to public roadways, are owned by different owners, each such owner shall have a singular and exclusive right of ownership to his floor, apartment, dwelling, home or site, in addition to a joint tenancy right to the common elements and parts of the property, necessary for the appropriate use and enjoyment thereof.

Each owner may sell, mortgage or otherwise encumber his floor, apartment, dwelling, home or site without the need for the consent of the other owners. In any such act the rights to the attached common property shall invariably be deemed included. The joint tenancy right to the common elements of the property may be subject to sale, encumbrance or lien by third parties only along with the exclusively owned floor, apartment, dwelling, home or site, with respect to which it is deemed an inseparable attachment. Joint tenancy over the common elements of the property is not subject to division.

The rights and obligations of the owners to whom this article refers shall be governed by the deed establishing the property regime for the corresponding purchase and sale, the respective Condominium Regulations, the provisions of the Civil Code, and as applicable the Regulatory Law of this article.

ARTICLE II.- The Condominium Law is approved to regulate Article 947 of the Civil Code.

## CHAPTER I

### CONDOMINIUMS

ARTICLE 1.- The condominium property ownership regime may arise:

I.- When the different floors, apartments, dwellings, homes or sites comprising a building or built within a property, with parts of common use, belong to different owners.

II. When the different floors, apartment, dwelling, homes or sites built within a property, with common and indivisible elements whose private ownership is reserved pursuant to the regulated article, are subject to sale to different persons.

III.- When the owner or owners of a property divide it into different floors, apartments, dwellings, homes or locales, for sale to different persons, provided that there is an indivisible, common element of private property.

**(AMENDED, OFF. GAZZ. JULY 24, 2004 )**

**ARTICLE 2.- Before creating the condominium property regime, the interested property owners shall obtain the authorization, if any, issued by the municipal hall of the place where it is located, through the competent municipal agency, after paying the fees provided in each municipality's finance law.**

**(AMENDED, OFF. GAZZ. FIRST PARAGRAPH JULY 24, 2004)**

**ARTICLE 3.- A person requesting authorization to build a condominium shall submit to the competent municipal agency a project signed by the owner and the project director, containing the following requirements:**

I.- Indication of the domicile to receive notices within the municipality where the condominium is located.

II.- The supply source for each public utility, especially drinking water.

III.- The location of drainage and sewers and the wastewater and rainwater discharge solution.

IV.- Means of access and roadway distribution within and without the condominium.

V.- The spaces and manner of parking vehicles within the condominium.

VI.- Places for loading and unloading in commercial and industrial condominiums.

VII.- The distribution of electrical, telephone and gas installations.

VIII.- The solution to the environmental pollution problem in commercial and industrial condominiums.

IX.- Specification of the private area reserved by the owner within the condominium, when the owner so decides, provided that it does not obstruct or impede the use or enjoyment of the common areas.

X.- Specification and delimitation of the common areas.

**ARTICLE 4.- The creation of the condominium property regime shall be declared by the owner or owners in a public deed charter, which shall have the authorization inserted, and which shall state:**

I.- The location, dimensions and bounds corresponding to the condominium at issue, with precise specification of its separation from other areas, if located within a residential complex or urban unit. In the case of expansive constructions, the limits of buildings, wings or sections should constitute independent condominiums, since the location and number of joint tenants gives rise to the separation of condominiums into different groups.

II.- Certification that the competent authorities have issued the urban construction and health licenses, authorizations or permits required for these kinds of works.

III.- The description and general blueprints and quality of materials used or to be used.

IV.- The description and floorplans of each apartment, floor, dwelling, home or locale, its number, location, measurements, vehicle parking spaces if any, and all other data necessary to identify it.

V.- The nominal value assigned to each floor, apartment, dwelling, home, or locale for the purposes of this Law, and the percentage of the total nominal value corresponding to the parts of the condominium.

VI.- The general allocation of the condominium and the special allocation of each floor, apartment, dwelling, home or locale.

VII.- The common properties, the allocation thereof with the specifications and necessary details, and as applicable the location, measurements, parts comprised, characteristics and all other data necessary to identify them.

***(AMENDED, OFF. GAZZ. JULY 24, 2004 )***

**VIII.- Characteristics and amount of the bond policy to be submitted by those liable for the execution of the condominium construction in general and any defects thereof, as determined by the municipal agency upon issuing the authorization, if any, referenced in Article 2 of this Law.**

***(AMENDED, OFF. GAZZ. JULY 24, 2004 )***

**IX.- Creation of the condominium owners' association containing its bylaws.**

***(AMENDED, OFF. GAZZ. JULY 24, 2004 )***

**X.- The corresponding Condominium Regulations.**

***(AMENDED, OFF. GAZZ. JULY 24, 2004)***

XI.- The cases and conditions in which the charter may be modified.

The general blueprints and floorplans corresponding to each apartment, dwelling, home, floor or locale and the common elements, duly certified by the Notary, shall be attached to the Appendix to the charter, along with the Condominium Regulations.

From the above documentation and all other documentation deemed necessary, the Manager shall receive notary-certified copies for the due performance of his duties.

The condominium charter for the condominium property regime, meeting the legal requirements, shall be recorded in the Public Registry of Property.

ARTICLE 5.- All agreements for the acquisition of rights to a floor, apartment, dwelling, home or locale subject to a condominium property regime shall have inserted the relevant representations and clauses of the condominium charter, stating that the interested party receives a Notary Public-certified copy of the condominium regulations.

ARTICLE 6.- The voluntary termination of the condominium property regime shall require the agreement of at least 75% of condominium owners, unless the condominium charter establishes a higher percentage.

## CHAPTER II

### PRIVATE AND COMMON PROPERTY

ARTICLE 7.- A condominium owner is understood to be an individual or entity who, as owner thereof, possesses one or more of the floors, apartment, dwellings, homes or locales to which the regulated article refers, and who for the purposes of this Law has entered into an agreement under which he is an owner upon compliance with the terms thereof.

The condominium owner shall have the exclusive right to his floor, apartment, dwelling, home or locale, and the joint tenancy right to the common elements and parts of the condominium.

ARTICLE 8.- The right of each condominium owner to common properties shall be proportional to the value of his exclusive ownership, as set in the condominium charter for such purpose.

ARTICLE 9.- The following are subject to common ownership by all owners:

I.- Land, basements, walkways, entry doors, vestibules, galleries, corridors, stairways, patios, yards, paths and internal roadways, and general-use vehicle parking spaces indicated as sufficient in the building licenses.

II.- Locales used for management, doorkeeping and lodging for doormen and security guards, as well as those used for general facilities and common services.

III.- Works, installations, devices and other objects for common use and enjoyment such as septic tanks, wells, cisterns, water tanks, elevators, lifts, incinerators, stoves, ovens, pumps and motors, drains, channels, distribution lines for water, drainage and sewers, heating, electricity and gas, locales and works for security, athletics, recreation, decoration, social receptions or meetings and other similar items, except for those used exclusively by each apartment, floor, dwelling, home or locale.

IV.- Foundations, structures, retaining walls and roofs for general use.

V.- Any other parts of the property, floor, locales, works, devices or facilities unanimously resolved by the condominium owners to be allocated to common use or enjoyment, or established as such in the Condominium Regulations or condominium charter.

ARTICLE 10.- Floor slabs, walls and other divisions separating apartments, floors, dwellings, homes or locales shall be common property only for the condominium owners who share them.

ARTICLE 11.- Even when a condominium owner abandons his rights or waives the use of certain common properties, he shall continue to be subject to the obligations

imposed by this Law, the condominium charter, the Condominium Regulations and all other applicable legal provisions.

ARTICLE 12.- Each condominium owner may use the common properties and enjoy the general services and facilities according to the nature and ordinary use thereof, without restricting or making more burdensome the rights of others.

ARTICLE 13.- The condominium owner of a floor, apartment, dwelling, home or locale may have available, use or enjoy it with the limitations and prohibitions established in this Law, the condominium charter and the Condominium Regulations, but may not sell or lease parts thereof with restrictions, as rooms, bedrooms, service quarters or common parking spaces. Noncompliance with this provision may lead to the rescission of the agreement or the application of the provisions of Article 25 of this Law.

ARTICLE 14.- In the case that a floor, apartment, dwelling, home or locale is sold, the tenant shall enjoy the right of first refusal pursuant to the provisions of the Civil Code.

ARTICLE 15.- Each condominium owner or occupant of the floor, apartment, dwelling, home or locale shall use it in an orderly and peaceful manner. He may not therefore use it for purposes against good moral or custom or for purposes other than as expressly agreed. In the case of doubt, he shall not carry on those acts that may be presumed from the nature of the condominium owner and its location, or carry on any act affecting the tranquility of the other condominium owners and occupants or compromising the stability, safety, health or comfort of the condominium, or commit omissions that produce such effects.

As regards common services and general facilities, owners or occupants shall abstain from all acts on their property that impede or make less efficient its operation or that hinder or hamper the common use, being required to maintain good conditions of conservation and operation of their own services and facilities.

In the case of lease, the tenant shall have the obligations to which this article refers.

A person who fails to observe these provisions shall be liable to pay any expenses incurred to repair or reestablish the services and facilities at issue, as well as any damages caused.

ARTICLE 16.- Condominium owners of first-floor or top-floor floors, apartments, dwellings, homes or locales shall not have more rights than the other condominium owners.

Except as established in the Condominium Regulations, ground-level condominium owners may not occupy for exclusive or preferential use above the other condominium owners the vestibules, basements, yards, patios or other places on such floor, or carry on works in such places. Likewise, top-floor condominium owners may not occupy the roof or build new floors or other constructions. The same restrictions apply to all other condominium property owners.

ARTICLE 17.- Each condominium owner may carry on all kinds of works and repairs within his apartment, floor, dwelling, home or locale, but shall be prohibited from carrying on any kind of modification affecting the structure, main walls or other essential elements of the building or its stability, safety, health or comfort.

Openings or windows may not be created or façades or exteriors cannot be painted or decorated in such a way that clashes with the overall appearance or harms the overall aesthetics of the property. As regards common services and general facilities, owners or occupants shall abstain from all acts, even within their own property, that impede or make less efficient its operation, being required to maintain good conditions of conservation and operation of their own services and facilities.

ARTICLE 18.- The works required on dividing roofs and floors and dividing walls and other such divisions shall be borne by the respective condominium owners.

The owners of the top floor or of the apartments, dwellings or locales located therein shall be liable for the interior ceilings, and the owners of the ground-floor or first-floor floors, apartments, dwellings, homes or locales forming a part thereof shall be liable for any work required on the floor or slab of the lower part of the property owned thereby.

In vertically built condominiums, in addition to the preceding provisions, work required on roofs and in basements, as well as the repair of defects caused by earthquake, lightning or partial sinkage, shall be borne by all condominium owners.

ARTICLE 19.- The following rules shall be observed for works on common properties and general facilities:

I.- The necessary works to maintain the condominium in good conditions of safety, stability and conservation, and for services to operate normally and efficiently, shall be carried out by the Manager, without the need for the prior agreement of the condominium owners, charged to the respective maintenance and management expense budget. When the budget is insufficient or when unforeseen works are to be carried out, the Manager shall call the condominium owners meeting to reach the respective resolution in accordance with the Condominium Regulations.

II.- The repair of hidden defects of the property, when reparation cannot be obtained from the vendor or builder, shall be borne by all owners or condominium owners, in the proportion represented by each in the total value of the property.

III.- To carry out purely voluntary works translating in a better appearance or greater comfort, without increasing the value of the condominium, or works that are not necessary but do increase such value, the unanimous vote of approval of the condominium owners shall be required.

IV.- Condominium owners may not carry out or perform any work in the common property and general facilities except for urgent repairs and replacements, provided that the Manager is not present.

V.- Any works endangering the safety, stability and conservation; affecting the comfort of the condominium; permanently preventing the use of a common part or service even when only one owner is affected; or impairing any floor, apartment, dwelling, home or locale, are prohibited.

***(DENOMINATION AMENDED, OFF. GAZZ. JULY 24, 2004 )***

### **CHAPTER III**

## **CONDOMINIUM ASSOCIATION AND CONDOMINIUM MANAGEMENT**

***(AMENDED, OFF. GAZZ. FIRST PARAGRAPH JULY 24, 2004)***

**ARTICLE 20.- Upon constituting the condominium property regime in accordance with Article 4 of this Law, the Condominium Association shall also be created, composed of the owners of the property within the regime, which shall exercise the legal representation of the condominium in accordance with this Law, the Association bylaws and the Condominium Regulations.**

***(JULIO 2004)***

The General Meeting shall be the highest body of the Condominium Association, but it may hold Group Meetings called to address the cases set forth in Article 31 of this Law. In either case, the following provisions shall apply:

I.- General meetings shall be held at least once per year, and group meetings shall be held as many times as they are called in accordance with this Law and the Condominium Regulations.

II.- Each condominium owner shall be entitled to the number of votes equal to the percentage that the value of his floor, apartment, dwelling, home or locale represents with respect to the total condominium value.

III.- Voting shall be personal, nominal and direct, but the Condominium Regulations may allow representation and determine other forms and procedures.

IV.- Meeting resolutions shall be reached by a simple majority of votes, except when this Law and the Condominium Regulations prescribe a special majority.

V.- When a single condominium owner represents at least 50% of the votes, 50% of the remaining votes shall be required for the agreements to be valid. When a valid agreement is not reached, the majority condominium owner or minority group may submit the discrepancy pursuant to Article 38 of this Law, and the minority owners may have themselves represented by a person other than the Manager.

VI.- Meetings shall be presided as provided in the Condominium Regulations, pursuant to Article 27, section VI of this Law. The Manager is an individual he shall act as Secretary; in the case of an entity, the person designated thereby shall act as Secretary.

VII.- The Secretary shall keep a book of meeting minutes, to be authorized by the State General Secretary of Government. Minutes shall be authorized by the Secretary's faith or by Notary Public, by the Meeting Chairman and the Oversight Committee.

VIII.- The Secretary shall have the meeting minutes book available at all times to condominium owners and registered creditors, giving written notice to each resolution adopted by the meeting.

***(AMENDED, OFF. GAZZ. FIRST PARAGRAPH JULY 24, 2004)***

**ARTICLE 21.- Calls to meetings shall be made pursuant to section XI of Article 24 of this Law.**

When a meeting is held at the first call, a quorum of 90% of voters shall be required. When held at the second call, the quorum shall be of at least 51% of voters. If the meeting is held at the third call, resolution shall be adopted with the majority of those present.

Determinations adopted by the meetings pursuant to this Law, the Condominium Regulations and all other applicable legal provisions shall be binding upon all condominium owners, including those absent or in dissent.

***(AMENDED, OFF. GAZZ. FIRST PARAGRAPH, JULY 24, 2004)***

ARTICLE 22.- The general meeting shall have the following powers:

I.- To freely appoint and remove the Manager pursuant to the Condominium Regulations, except for those operating in the first year, who shall be appointed by the persons deeding the la condominium charter. The Manager may or may not be a condominium owner, and the owners meeting shall set the respective remuneration, which may be waived by a condominium owner who agrees to serve without compensation.

II.- To specify the Manager's direct responsibilities vis-à-vis third parties and those borne by the condominium owners for the Manager's actions, executed in or with respect to the performance of his duties.

III.- To appoint and remove an Oversight Committee which may be composed of one or up to three persons.

IV.- To determine the type and amount of guarantee to be provided by the Manager with respect to the faithful performance of his duties and the funds in his care, for maintenance, management and the reserve to replace implements and machinery.

V.- To examine and approve, as the case may be, the annual account statement submitted by the Manager for its consideration.

VI.- To discuss and approve, as the case may be, the next year's expense budget.

VII.- To establish the dues payable by condominium owners to create a fund for maintenance, acquisition or replacement of implements and machinery, and the reserve to be kept by the condominium. The payment may be divided into monthly installments to be paid in advance. The amount of these funds shall be paid in proportion to the value of each floor, apartment, dwelling, home or locale, as established in the condominium charter. The first contributions to create both funds shall be determined in the Condominium Regulations. The reserve fund, when not in use, shall be invested in fixed-income securities payable on demand. The maintenance and management fund shall be sufficient to cover three months' cash expense needs.

VIII.- To endeavor as applicable with the competent authorities when the Manager violates this Law, the Condominium Regulations, the condominium charter and any applicable provision.

***(AMENDED, OFF. GAZZ. JULY 24, 2004)***

**IX.- To instruct the Manager to comply with the provisions of section I of Article 24 of this Law.**

X.- To adopt the necessary measures with respect to matters of common interest, not included in the duties conferred upon the Manager.

**(AMENDED, OFF. GAZZ. JULY 24, 2004 )**

**XI.- To modify the condominium charter, the Condominium Association deed and the Condominium Regulations, in the cases and under the conditions set forth in each, pursuant to the applicable legal provisions.**

**(AMENDED, OFF. GAZZ. JULY 24, 2004 )**

XII.- To grant a General Power of Attorney for disputes, collections and acts of administration, with special powers pursuant to Article 2444 of the State Civil Code in effect, for the defense and legal representation of the condominium.

**(AMENDED, OFF. GAZZ. JULY 24, 2004 )**

**XIII.- All others conferred by this Law, the Condominium Regulations, the condominium charter, the Association deed and all other applicable provisions.**

ARTICLE 23.- Condominiums shall be managed by the individual or entity appointed by the condominium owners meeting pursuant to this Law and the Condominium Regulations.

ARTICLE 24.- The Manager shall be responsible for:

I.- Caring for and overseeing the condominium property and common services, and promoting the integration, organization and development of the community. Common services include those that are common with other condominiums or with neighboring single-family homes, when located within a residential complex or urban unit, or in the case of buildings, wings or sections of an expansive construction. The provision of these services and any problems arising from the contiguity of the condominium with others or with neighboring single-family homes shall be resolved in the corresponding meetings, at which the respective condominium owners shall be represented by the Manager or the person appointed for such purpose.

II.- Keeping and conserving the books and documents relating to the condominium, which may at all times be viewed by the condominium owners.

III.- Attending to the operation of general facilities and services.

**(AMENDED, OFF. GAZZ. JULY 24, 2004)**

**IV.- Executing the agreements reached at the general meeting, and with the prior authorization thereof, representing the Condominium Owners' Association with the powers determined by the general meeting, and carrying on all acts of administration and conservation of the condominium.**

V.- Carrying out the necessary works pursuant to section I of Article 21 of this Law.

VI.- Executing the meeting agreements, unless the meeting designates a different person.

VII.- Collecting the corresponding contributions from condominium owners for maintenance, management and reserve funds.

VIII.- Undertaking condominium maintenance and management expenses out of the corresponding fund, pursuant to the Condominium Regulations.

IX.- Issuing receipts to all condominium owners for the amounts contributed in the prior month for maintenance, management and reserve funds.

These receipts shall state any balances owed by each condominium owner.

X.- Delivering a monthly account statement to each condominium owner, showing:

A).- A detailed list of the prior month's expenses, paid out of the maintenance and management fund.

B).- A consolidated statement showing the amounts of contributions and dues outstanding. The Manager shall make a list available to condominium owners who wish to consult it, stating the maintenance, management and reserve funds and outstanding account balances.

C).- The balance of the maintenance and management fund and the purposes to which it will be allocated in the following month. The condominium owner shall have a period of 15 days from the submission of said documentation to submit any observations or objections he deems appropriate. After such period, he shall be deemed to be in agreement with the documentation, pending approval by the meeting, pursuant to section V of Article 24 of this Law.

XI.- To call meetings at least 10 days in advance, indicating the place within the condominium or as set in the Regulations, as well as the date and time it is to be held, including the meeting agenda. Condominium owners or their representatives shall be notified in writing of the place indicated for such purpose.

In addition to giving the aforesaid notice, the Manager shall place the call to meeting in one or more visible places within the condominium.

Condominium owners may call a meeting without the Manager's participation when they evidence to a competent court that they represent at least one-fourth of the condominium value. The Oversight Committee may also call a meeting, pursuant to the following article.

In the case of urgent matters, a meeting shall be called with the advance notice that the circumstances require.

XII.- Holding offenders liable for their respective liabilities under Article 19 of this Law, with the representation of all other condominium owners.

XIII.- Ensuring due compliance with the provisions of this Law, the Condominium Regulations and the condominium charter.

XIV.- Carrying out all other functions and duties under his charge as established by the Law, the Condominium Regulations, the condominium charter and all other applicable legal provisions.

ARTICLE 25.- The Oversight Committee shall have the following attributions and duties:

I.- To ensure that the Manager carries out the agreements reached at the general meeting.

II.- To ensure that the Manager complies with the duties charged to him in the preceding article.

III.- To give their approval of the execution of the works referenced in Article 21, section I, of this Law.

IV.- To verify the account statements to be submitted by the Manager to the meeting.

V.- To verify expenditures from the reserve fund to acquire or replace implements and machinery.

VI.- To submit their observations on condominium management to the meeting.

VII.- To inform the meeting of any observed noncompliance by condominium owners, notifying the Manager.

VIII.- To assist the Manager in observations on condominium owners' compliance with their obligations.

IX.- To call the condominium owners meeting when the Manager fails to do so within three days following being required to do so.

In addition, when it is its judgment the meeting should be notified of any irregularity committed by the Manager, it shall call the Manager to appear at the respective meeting.

X.- All other arising under this Law, other laws imposing duties thereon, the condominium charter and the Condominium Regulations.

**ARTICLE 26.- (REPEALED, OFF. GAZZ. JULY 24, 2004)**

#### CHAPTER IV

#### CONDOMINIUM REGULATIONS

ARTICLE 27.- The Condominium Regulations shall contain:

I.- The rights and obligations of the condominium owners with respect to the common properties, specifying such properties, and any limitations on the right to use such properties and their own properties.

II.- The appointment and powers of the Manager.

III.- The requirements to be met by the Manager, the basis for his compensation, and the cases in which he is to be removed.

IV.- The provisions of the preceding two sections, with respect to the Oversight Committee.

V.- The appropriate measures to improve the management, maintenance and operation of the community.

VI.- The calling of the condominium owners meeting and the person presiding.

VII.- All matters reserved to the Regulations in the condominium charter and this Law.

ARTICLE 28.- Any new transferee is bound to comply with the Regulation then existing.

ARTICLE 29.- The agreement of 75% of condominium owners shall be required to modify the Condominium Regulations.

## CHAPTER V

### EXPENSES, TAX OBLIGATIONS AND DISPUTES

ARTICLE 30.- Condominium owners' contribution to management, maintenance and reserve funds shall be made pursuant to Article 24, section VII, of this Law.

ARTICLE 31.- When a condominium comprising various parts and includes, for example, various stairways, patios, yards, works and facilities to be used solely by a part of the complex, the related special expenses shall be borne by the group of condominium owners who benefit from them. Also, in the case of stairways, elevators, lifts and other elements, devices or facilities, the Condominium Regulations, may establish special rules for sharing the expenses.

ARTICLE 32.- Dues for common expenses that the condominium owners fail to pay each month shall incur interest at the legal rate or as provided in the Condominium Regulations.

The statement for the settlement of debts, penalty interest and contract penalties stipulated in the Condominium Regulations shall be submitted in the civil enforcement proceeding, signed by the Manager and the Oversight Committee and accompanied by the corresponding outstanding receipts, as well as a copy certified by the same officers of the respective part of the meeting minutes or Condominium Regulations, as the case may be, determining the maintenance, management and reserve dues.

This action may be taken only when there are three outstanding receipts.

The Condominium Regulations may establish that when a condominium owner is in default, the Manager may distribute the amount of the debt owed and which continues to accrue among the remaining condominium owners, in proportion to the value of their properties, until the debt is recovered. When such debt is recovered, the Manager shall reimburse those affected by such payment in the amounts contributed plus the proportional part of the corresponding interest.

ARTICLE 33.- A condominium owner who repeatedly fails to comply with his obligations, in addition to being liable for any damages caused to the others, may be sued to be bound to sell his rights in a public auction, respecting the right of first refusal, pursuant to the Condominium Regulations. The pursuit of this action shall be resolved in a condominium owners meeting, with a minimum of 75% thereof.

ARTICLE 34.- The claims to which the preceding articles refer shall affect the floors, apartments, dwellings, homes or locales even when sold. The persons acquiring such property shall be successors to the owners, and said claims shall be subject to the privilege set forth in Article 2882, section IX of the Civil Code.

ARTICLE 35.- Except as provided in the second paragraph of Article 34 of this Law, any disputes arising between condominium owners with respect to the condominium and the provisions of this Law shall be processed in a summary trial.

ARTICLE 36.- If the person not in compliance with his obligations is a non-owner occupant, the Manager shall demand, with the prior consent of the condominium owner, that the floor, apartment, dwelling, home or locale be vacated. If the condominium owner opposes, the matter shall be pursued against the owner and the occupant, pursuant to the preceding article, in summary court or as legally applicable, as the case may be.

ARTICLE 37.- Condominium owners shall pay, independently of the property tax on their exclusive property, the corresponding part of common properties and all other taxes or fees incurred by the condominium itself.

For tax purposes, each floor, apartment, dwelling, home or locale shall be recorded and appraised separately in the cadastral registry, including the valuation of the proportional part of the common property.

ARTICLE 38.- All disputes arising by reason of the interpretation and enforcement of this Law, the Condominium Regulations, the condominium charter and the transfer of ownership deed, and all other applicable legal provisions, shall be processed in the civil summary courts.

## CHAPTER VI

### LIENS

ARTICLE 39.- Liens are divisible among the different floors, apartments, dwellings, homes or locales of a condominium, whether such liens are established by the person creating the condominium, the builder thereof, or by all condominium owners or any of them with respect to the property owned thereby.

ARTICLE 40.- Each condominium owner shall be liable only for the lien corresponding to his property. Any clause establishing common or joint liability of the owners for a lien on the property shall be deemed not established.

ARTICLE 41.- Claims arising from obligations set forth in the condominium charters and transfer of ownership deeds, under the Condominium Regulations or this Law and other applicable legal provisions, shall be entitled to a real guarantee over the apartments, floors, dwellings, homes or locales, even when transferred to third parties.

In the case of sale or transfer of ownership of title to a condominium, the owner shall deliver a no-debt letter to the transferee, issued by the Condominium Manager, to be attached to the deed issued by the Notary.

The recording of this lien in the Public Registry of Property shall entitle all interested parties to obtain a settlement of outstanding debts from the Manager and from any creditor.

## CHAPTER VII

### DESTRUCTION, RUIN AND REBUILDING OF THE CONDOMINIUM

***(AMENDED, OFF. GAZZ. FIRST PARAGRAPH JULY 24, 2004)***

**ARTICLE 42.- If the condominium is destroyed in full or in a proportion representing at least three-fourths of its value, according to an appraisal performed by the competent municipal agency, a majority of at least 51% of condominium owners may agree to rebuild or divide the land and remaining properties or to sell it in accordance with the legal provisions on joint tenancy.**

If the destruction is not to the extent as aforesaid the agreements to which the preceding paragraph refers shall be reached by a minimum majority of 75% of condominium owners.

***(AMENDED, OFF. GAZZ. LAST PARAGRAPH, JULY 24, 2004)***

**In the cases to which the preceding paragraphs refer, if the agreement is to rebuild, the minority condominium owners shall be bound to contribute in the corresponding proportion or to sell their rights, according to the appraisal performed by the competent municipal agency or by the expert appraiser appointed for such purpose. The sale may be made to the majority owners if the minority owners so agree, and shall be compulsory within six months at the appraised price if within such period the minority owners have not endeavored to sell their rights to third parties.**

***(AMENDED, OFF. GAZZ. JULY 24, 2004)***

**ARTICLE 43.- In the case of the ruin or grave impairment of the condominium, a minimum majority of 51% of condominium owners may resolve, with the prior review of the competent municipal agency, to rebuild or demolish and divide the common properties, or as applicable sell the property, applying the provisions of the preceding article.**

ARTICLE 44.- In the case of the partial or total destruction of the property, if it is insured, the amount of insurance shall be allocated to rebuild it, depositing the value thereof with a credit institution from which the funds necessary for rebuilding shall be withdrawn. This shall not occur if the condominium owners representing three-fourths of property rights elect to distribute the amount of insurance among the condominium owners and the property is sold, pursuant to the preceding article.

#### TRANSITIONAL ARTICLES:

ARTICLE ONE.- Article 947 of the State Civil Code is amended to read as indicated in this Decree.

ARTICLE TWO.- Decree No. 29 of January 29, 1965, published in the Official Gazette on February 13, 1965, and all other provisions opposing the legal precepts referenced herein, are repealed.

ARTICLE THREE.- Both the amendments to Article 947 of the Civil Code and the Condominium Law regulating such article, to which this Decree refers, shall enter into force on the day following the publication hereof in the State of Colima Official Gazette.

Constitutional Governor of the State shall have this Decree published, circulated and observed.

Given at the Residence of the Legislative Branch this twenty-eighth day of September, 1981. Chairman, JORGE SALAZAR RODRIGUEZ, Signature. Secretary, YOLANDA DELGADO OLIVERA, Signature. Secretary, LIC MARCELINO BRAVO JIMENEZ, Signature.

Therefore, this Decree is hereby sent to be printed, published, circulated and observed.

Government Palace, Colima, Colima, October 5, 1981. Constitutional Governor of the State, LICDA. GRISELDA ALVAREZ, Signature. General Secretary of Government, LIC. CARLOS DE LA MADRID VIRGEN, Signature.

***ED. NOTE. THE TRANSITIONAL ARTICLES OF THE DECREES AMENDING THIS LAW ARE TRANSCRIBED BELOW.***

***OFF. GAZZ. JULY 24, 2004***

**First.- This Decree shall enter into force on the day following the publication hereof in the State of Colima Official Gazette.**

**Second.- Condominium owners who prior to this amendment have created a different form of representation than as provided herein shall continue to operate with that form of representation, unless the interested parties decide otherwise.**