

Disclaimer: The official version of the law and any amendments thereto is published in Arabic in the Official Gazette. This version of the law, including amendments thereto, is provided for guidance and easy reference purposes. The Legislation & Legal Opinion Commission does not accept any liability for any discrepancy between this version and the official version as published in the Official Gazette and / or any inaccuracy or errors in the translation.

For any corrections, remarks, or suggestions, kindly contact us on translate@lloc.gov.bh

Published on the website on May 2024

Real Estate Regulatory Authority

**Decision No. (1) of 2020 regulating Provisions of Owners Unions of
Joint Properties**

Chairman of the Board of Directors of the Real Estate Regulatory
Authority:

Having reviewed the Real Estate Registration Law promulgated by Law No. (13) of 2013;

Real Estate Sector Regulation Law promulgated by Law No. (27) of 2017, in particular Article (62) thereof;

Decree No. (69) of 2017 organizing the Real Estate Regulatory Authority;

And Decision No. (7) of 2018 regulating Provisions of Owners Unions and Joint Properties;

And upon the submission of the Chief Executive Officer of the Real Estate Regulatory Authority,

And after the approval of the Real Estate Regulatory Authority's Board of Directors,

Hereby Decides:

Chapter one

General provisions

Article (1)

Definitions

In applying the provisions of this Decision, the following words and expressions contained herein shall have the same meaning as indicated in the Real Estate Sector Regulation Law promulgated by Law No. (27) of 2017, and the following words and expressions shall have the meanings assigned to them below unless the context requires otherwise:

Law: Real Estate Sector Regulation Law promulgated by Law No. (27) of 2017.

Main Units: The units in a property site plan the owners of which are members of the main owners union.

Central Units: The units in a property site plan, the owners of which are members of the central owners union.

Members: Members of the owners unions.

Owners Union Manager: A natural or legal person licensed by the Authority to carry out the functions of owners unions.

Common Parts Entitlement and Subscription share: The percentage that determines the undivided share of common parts of each member and the percentage or the equation mentioned in the statute and used to determine the member's contribution to annual subscriptions.

Vote Ratio: The percentage that determines each member's vote at owners' union meetings, which is set out in the statute.

Voting paper: A paper attached to the notice of the general assembly meeting that allows the member to vote on the listed decisions without attending the meeting.

Clearance Certificate: A clearance certificate that the owners union shall issue according to requirements of the notary public and the Bureau to support the transfer of the title of the unit, confirming that there are no arrears of annual subscriptions.

Budget: An annual financial document that is made for the purpose of ensuring that the owners union can carry out its obligations and functions according to best practice and it includes items that relate to the Operational Account and the Reserve Account.

Operational Account: The bank account to hold that part specified in the owners union Budget to fulfil the obligations that will be repeated on a regular and at least on an annual basis.

Reserve Account: The bank account to hold that part of the owners union Budget for the long-term maintenance costs that are not on an annual basis.

Operational Rules: Rules that are in the statute and have a more operational nature and that may be changed with an ordinary decision by the general assembly.

Special Management Scheme: A special scheme for a joint property or joint properties that affects the rights and obligations of the owners and powers and functions of the owners union, including but not limited to a building management regulation, a serviced apartment scheme or a branded residence joint ownership scheme.

Statement of Annual Subscriptions: The annual subscription payable by the member as a contribution to the costs of managing, operating, maintaining, repairing and insuring the common parts and payable into the Operational Account and the Reserve Account.

Order to Pay: The order issued by the Owners union Manager to a member to pay any outstanding payments thereby in accordance with the provisions of the Law and its implementing decisions.

Neutral Observer: A person approved by the Authority to be appointed to act as a neutral observer at a meeting of the owners union.

Ordinary Decision: A vote decided at the general assembly meeting of the owners union by a simple majority of those present and entitled to vote.

Article (2)

Scope of Application

The provisions of this Decision shall apply to all joint properties managed by the owners unions, and to layered joint properties managed by the main or central owners union, and to the Special Management Scheme.

Article (3)

Statute and Principal System

The statute shall govern the rules and provisions that regulate development and management of a joint property in the development project.

The statute of unions shall regulate the rules and provisions relating to meetings of the owners union.

The Statute and Principal System, - after being annotated by the Bureau- , shall form part of the title deed of the joint property and shall be attached thereto.

Chapter two

Establishing and Registering Owners unions

Article (4)

Submission of Statute and Principal System of Joint Property

All Developers and existing owners unions as the case may be shall lodge with the Authority application to register the owners union attached to it the Joint Property By-laws and the statute of Union.

The statute must not be inconsistent with any law of the Kingdom and must be consistent with the property site plan registered by the Bureau.

The statute of Union may contain provisions other than those of the statute of Union published on the Authority's website in accordance with this Decision provided they do not contradict with the provisions of this Decision.

Where the joint property is within a Special Management Scheme, the impact of the Special Management Scheme arrangement on the owners union shall be recorded on the statute and, where the Special Management Scheme is affected by a building management regulation, the building management regulation shall be provided to the Authority.

Where the Authority considers that the documents are in the approved form, it shall forward the documents to the Bureau for annotation as required.

Article (5)

Creation of the owners union

The Owners union shall be created by the force of law upon the registration of the first sale of a unit in a joint property in the land register and the membership of a unit owner shall start from the date of notarizing the sale agreement in his/her name.

The main owners union or central owners union or both as circumstances require may be created upon the registration of the first sale of a unit.

The owners union shall become operational from date of the first general assembly meeting in accordance with the provisions of this Decision.

Article (6)

Members of the Union

The owners union shall become operational from date of the first general assembly meeting in accordance with the provisions of this Decision.

The owners union shall be a member of a main owners union or a central owners union as circumstances require.

In the cases where the unit owner is not a member of an owners union, the unit owner shall be a member of the main owners union or central owners union as circumstances require.

Article (7)

Invitation to the first general assembly

All developers shall notify the members of the owners union of the first general assembly within one year from the creation of the owners union.

Where the developer fails to do so, the notice of invitation to the general assembly meeting may be provided by members owning (25%) of the units.

Article (8)

The developer continues to manage the joint properties

The developer shall continue to manage the joint properties in development projects, and collect annual subscriptions of units delivered to owners or the units whose owners have received a registered notice of the delivery of the units until the general assembly. The provisions of Article (70) of this Decision shall be applied after the elapse of this period.

Article (9)

The developer's obligations after creation of the owners' union

After the creation of the owners' union and before the first annual general assembly meeting, the developer shall:

- 1- Create the common seal of the owners' union which shall contain:
 - a- The registration number allocated to the owners' union by the Authority.

b- The name of the owners' union set forth in the joint ownership statute and the words (Owners' union).

2- Prepare the first annual Budget for the owners' union including the establishment, within the Budget, of the Operational Account and the Reserve Account.

After creation of the owners' union and before the first annual general assembly, the developer may:

1- Make a tender for any goods or services required for the operation of the Joint Property provided that no contracts shall exceed two years unless the joint property is within a Special Management Scheme or within a main or central joint property.

2- Enter on behalf of the owners' union into any contracts necessary for operation of the joint property including a contract with an Owners' union Manager.

3- Open bank accounts in the name of the owners' union for deposit of the annual subscriptions.

Article (10)

Transferring the custody to the owners' unions

Upon election of the Board of Directors of the owners' union, the developer shall transfer into the custody of the owners' union all the relevant documents pertaining to operation of the joint property including the following:

1- Post-execution drawings.

2- A list of all assets whether fixed or movable owned by the owners' union.

3- A full accounting of all annual subscriptions collected by the developer on behalf of the owners' union.

- 4- Copies of any construction contracts, design contracts, building permits and approvals.
- 5- Any construction warranties assigned to the owners' union.
- 6- All instruction manuals, keys, codes and similar information.
- 7- A list setting out all units, members and their addresses and their contact details.
- 8- Originals of all tender documents, budgets, service contracts, accounts, notices, agendas, minutes of meetings, Decisions and other documents entered into by or prepared in relation to the owners' union.
- 9- All necessary documentation to transfer the operation of the owners' union's bank account into the management and control of the owners' union; including an accounting for all annual subscriptions paid by the members.
- 10- Copies of the property site plan and the ownership statute registered with the Bureau.
- 11- The approved common seal.

At the first general assembly, the developer shall provide details of all existing service contracts entered into by the developer and shall disclose any interest that the developer has in such contracts, and provide a list of the units under its management pursuant to Article (34) of the Law and the expiry date of the obligation where the developer has, at the time of the general assembly, an ongoing obligation to manage units under that Article.

Article (11)

Maintaining documents

The documents referred to in Article (10) herein shall be stored securely at the site of the joint property taking into consideration to have extra

copies of those documents, and the common seal must remain in the custody of the Owners' union Manager or if there is no Owners' union Manager appointed, then in the custody of the Board member appointed as the secretary of the owners' union.

Article (12)

Remedying defects

The developer shall, at its own expense, be obliged to prosecute any contractor or consultants for any breach of any warranty or defect in relation to the joint property in accordance with Article (71) of the Law and the developer shall remain liable for remedying any breach of such warranties or defect.

Chapter Three

Powers and Functions of the owners' union

Article (13)

Powers of the owners' union

Without prejudice to the powers stated in the Law, the owners union shall have the following powers:

- 1- Conclude supply agreements for utilities and services.
- 2- Own movable and immovable property to be able to perform required works.
- 3- Exploit common parts, including lease thereof in accordance with Article (30) of this Decision.
- 4- Appoint an Owners' union Manager licensed by the Authority.
- 5- File lawsuits and initiate judicial proceedings for execution of claims.
- 6- Reimburse the costs of executing the works related to the common parts from the Unit owner.

7- Enforce the statute and operational rules.

8- Impose financial penalties.

Article (14)

Functions of owners' union

The owners' union shall:

1- Ensure maintenance and repair of the common parts and their contents or replacement thereof, if repairing is not economically feasible.

2- Set the Operational Rules to ensure good use of the common parts.

3- Appoint one or more auditors for the main and central owners' union, provided that the auditor of owners' union shall be appointed according to the desire of the general assembly.

4- Collect the annual subscriptions of the members of the owners' union and take legal action to collect them.

5- Strengthen the social relations between the members to ensure maintenance of good-neighbourly relations and encourage joint teamwork between them.

6- Insure the common parts and machinery and equipment associated therewith.

7- Provide the members with all necessary information and documents in keeping with the principle of transparency.

8- Issue the Statement of Annual Subscriptions and Clearance Certificates.

9- Carry out any other functions set out in this Decision.

Article (15)

Owners' union records

The owners union shall keep the records relating to its work in a manner that sufficiently reflects its financial position, rights and liabilities, particularly:

- 1- A record containing the plan which defines the units and common parts, a copy of the statute and statement of the entitlements of each unit.
- 2- A written record of the union Board meetings, including minutes of meeting and its decisions.
- 3- A written record of the general assembly, including the meeting procedures, minutes of such meetings and Decisions.
- 4- A record of the official correspondence.
- 5- A record of the insurance policies.
- 6- A record containing all the financial statements, audit documents and statements of bank accounts.
- 7- A record including all original copies of all contracts and agreements.
- 8- A record of assets.
- 9- An updated record of the names of the owners' union members, their addresses, and their contact details for the purpose of serving notices.
- 10- An updated record of the payment status of annual subscriptions.
- 11- Any other records as may be determined by the Authority.

The paper or electronic records of the owners' union shall be the property thereof. The Owners' union Manager and the Board of Directors shall hand such documents to the owners' union at the end of their term and shall keep them for a period of not less than five years as of the date of last recording.

Article (16)

Clearance Certificate on transfer of ownership

If the contract is concluded after issuing this Decision, then to transfer ownership of any unit in a joint property, the seller shall provide to the purchaser or empower the purchaser to obtain a Clearance Certificate issued by the owners' union. The Bureau shall not register the ownership transfer of any unit before obtaining such certificate, unless the parties collectively certify in writing, before the Notary, that:

1- It is impossible to obtain such certificate as the owners' union is not operational.

2- The seller and the buyer reached an agreement to pay any unpaid subscriptions or liabilities.

This certificate shall not apply to the transfer of Annexes, which appear on the property location scheme as units annexed to primary units and may be transferred between owners and they do not have a separate ownership certificate.

Article (17)

Clearance Certificate records

The certificate must include the following requirements:

1- Name and address of the owners' union.

2- Registration number issued by the Authority.

3- Name of owner or owners.

4- Unit details.

5- A clause that shows the outstanding amount, if any, or that there are not outstanding amounts.

6- Signature of one Board Chairman or his deputy or the signature of the Owners' union Manager.

7- Affix the union's seal.

Article (18)

Obtaining a Clearance Certificate

Where the buyer or seller is represented by a legal personal representative or by a proxy, that representative is authorized to obtain the Clearance Certificate from the owners' union and to sign any declaration concerning this matter.

Article (19)

Transfer of Ownership in Case of a Loan

Where a borrower who borrows funds from a bank or financial institution and the name of that bank or institution appears on the title deed as owner, wants to pay the loan and transfer the ownership to a new buyer, that borrower may obtain the Clearance Certificate from the owners' union and sign any declaration in this regard.

Article (20)

Easement Rights or leasehold obligations

The owners' union shall abide by the easements and obligations arising from the Special Management Scheme, lease, property utilization and development, or the agreements listed in the supplementary record sheet or the joint property statute.

Chapter Four

Financial affairs of the owners' union

Article (21)

Financial resources of the owners' union

The owners union's financial resources shall consist of the following:

1- Members' subscriptions.

- 2- Revenue from the exploitation of any part of the common parts.
- 3- Gifts, donations and any other resources accepted by the Board of Directors after the approval of the Authority in a manner that does not contradict the objectives of the owners' union.
- 4- Other resources determined by the general assembly.

Article (22)

Subscriptions of the owners' union members

The members shall pay their annual subscriptions to the owners' union. The developer - in its capacity as an owner - shall be responsible for the annual subscriptions of all unsold units and shall - before notarizing the sale contracts of these units - pay any outstanding annual subscriptions. Annual subscriptions shall be due from the date of handing the unit over to the member or sixty days after the date of the owner's receipt of the notice of handing over of the unit with acknowledgement of receipt. The Authority may set a prior date for the due annual subscriptions in certain cases upon its discretion.

Unless otherwise provided in the statute of union, subscriptions shall be paid in quarterly instalments.

The Owners' union shall pay the annual subscriptions to the Main or Central Owners union from its operational account as the case maybe.

Article (23)

Subscriptions of the main and central owners' union members

The members of the central and main unions are obliged to pay their shares of the annual contributions, and these contributions are allocated to cover the expenses of managing, operating, maintaining and repairing the main or central common parts, as the case may be, and insurance expenses for them.

Unless otherwise provided in the main or central statute , subscriptions shall be paid in quarterly instalments.

The annual subscriptions of the central owners union and the main owners union shall be due from the date of its operation commencement.

The main owners union shall pay from its Operating Account the annual subscriptions to a central owners union.

Article (24)

Collecting annual subscriptions before handover by the developer

Subject to the approval of the members, the developer shall have the right to collect two years' annual subscriptions before handing over the unit, provided that it shall deposit the funds in the owners union's account or other temporary dedicated account for the owners' union, provided that the developer deposits the subscriptions of unsold units.

Article (25)

Method of determining contributions and entitlements

The Annual Service Charge Contribution of each member shall be determined according to the part of the member's unit as a percentage of the total part of the units, taking into account the nature of the use of the unit and any other standards provided for in the statute of union including the use of common parts.

Unless the Statute indicate otherwise, the Service Charge Contribution shall also determine the member's undivided share of common part.

Article (26)

Increasing the amount of subscriptions

The Board of Directors of the owners union may increase the amount of members' subscription to cover unforeseen expenses and due to

emergency reasons, provided that such increase may not exceed (10%) of the annual subscription amount.

The Board of Directors shall indicate the details and reasons for increasing the amount of contributions to the general assembly at its first meeting following the decision of increase.

Article (27)

Authority of the owners union to impose administrative and financial measures

The owners union may take any of the following administrative and financial actions to ensure compliance by members with their obligations to pay subscriptions and fulfilment of their other obligations, including:

- 1- Setting a system of discounts for members who pay service fees on time.
- 2- Imposing administrative and financial sanctions on the member who is in arrears for paying his/her subscriptions or other financial obligations to the owners' union for a period of three months from the due date, at a rate not exceeding (10%) per annum, provided that such member shall be notified twice by a registered mail with acknowledgement of its receipt during the said three months.
- 3- Imposing administrative and financial sanctions against the member violating any of the requirements of the statute or statute of union, provided that the sanction shall not exceed two hundred Bahraini Dinars without prejudice to the provisions of the last paragraph of this Article.
- 4- Preventing the member from exercising the right to vote in the general assembly, except as provided for in this Decision.
- 5- Restricting access by the member to common facilities. However, the union may not:

- a- Restrict a member's access to the unit and car parking slot.
- b- Restrict the supply of utilities to the unit.
- c- Prevent a member from repairing and maintaining the member's unit in accordance with this Decision.

The owners' union may charge the member for any costs incurred thereby to recover the subscriptions due from the member. The owners' union may claim any compensation for damages arising from the member's violation of the requirements of the owners' union.

Article (28)

Payment Decision

If the member refuses to pay his/her share of the annual subscriptions or any other liabilities to the union payable under the provisions of this Law or statute of union, the union Manager may issue a decision carrying the stamp of the union obliging him/her to pay within ninety days as of the date on which he/she was notified of the decision under a registered mail with acknowledgement of its receipt and without envelope.

The Decision to Pay shall include:

- 1- Any arrears in annual subscriptions.
- 2- Any compensations imposed by the owners' union for late payment pursuant to Article (27) of this Decision.
- 3- Financial obligations imposed on the member by the owners union pursuant to the statute of union.

Article (29)

passing a court judgement against the owners' union

In case of a court judgement against the owners' union on compensation for breach of its obligations, the members shall contribute to the payment

in shares determined according to the service charge contributions of their units, subject to Article (45) of this Decision.

Article (30)

Exploitation of common parts

Unless the statute of union stipulate otherwise, the owners union shall have the right to lease or exploit any common part, provided that the same:

- 1- Does not impede the use and enjoyment of the common parts by the other members.
- 2- Is approved by the general assembly, as the case may be, by an Ordinary Decision.
- 3- Any rent received shall be paid to the Operational Account.

Article (31)

Insurance of the common parts

The owners' union shall procure in its name insurance on the following:

- 1- The buildings, property and other fixtures and fittings within the common parts under an all-risk insurance policy against damage or destruction by explosion, fire, lightning, wind or storm, against:
 - a- Their full replacement value.
 - b- The costs incidental to their replacement or reinstatement, including the cost of removal of debris and professional fees on re-building.
- 2- liability for damage to property or personal injury to any person arising in connection with the common parts.
- 3- Insurance against any other risks provided for in the Law or in the directions issued by the Authority. The owners union shall also obtain every five years an assessment from an engineer or real estate valuer

licensed by the Authority to ensure that insurance policies for the above items are adequately covered.

Article (32)

Recovering the amount of the increased premium

If the way in which a unit is being used by a member or an occupier results in an increased premium, then the owners' union may recover the amount of the increased premium from the member concerned.

In all circumstances the proceeds of the insurance claim must be applied towards the reinstatement of the damage that resulted in the claim.

Article (33)

Operational Account and Reserve Account

The owners' union shall establish an Operational Account and a Reserve Account for the joint property to ensure good and continuous management, operation and maintenance of the common parts.

The Board of Directors shall, unless exempted by the Authority, conduct every five years a study to identify maintenance activities to be funded from the Reserve Account over the next five years. Such study shall include at least three initial bids from suppliers or contractors for maintenance works to estimate the amount of subscriptions to be paid.

Upon collection of subscriptions from the members, the share of the subscriptions allocated to the Reserve Account shall be separated from the Operational Account. Surplus amounts shall either be deposited into the Operating Account or the Reserve Account of the owners' union.

Article (34)

Operating the bank account

The bank accounts may be operated jointly on behalf of the owners' union, by the Owners' union Manager and two members of the Board of Directors.

If there is no Owners' union Manager acting jointly, the bank accounts shall be operated by three members of the Board of Directors, provided that the Board Chairman, secretary or treasurer is one of them.

Chapter five

Board of directors

Article (35)

Requirements of the Board of Directors' membership

A member of the Board of Directors should:

- 1- Be a member of the owners' union or a representative of a member of the owners' union.
- 2- Be at least twenty-one years old, in case of a natural person.
- 3- Be a resident of the Kingdom of Bahrain.
- 4- Be the only representative of the owner in the Board of Directors.
- 5- Not be declared as bankrupt or convicted of a crime of dishonour or breach of trust unless rehabilitated.

Article (36)

Election of the Board members of the Owners' union

The members of the owners' union shall elect a Board of Directors at the annual general assembly meeting. Each member shall have one vote in the elections for each unit owned by the member, and in favour of one candidate unless otherwise provided in the statute of union.

The Owners unions shall have more than nine units. If the number of units is nine or less, the owners shall automatically constitute the

members of the Board of Directors, provided that the number of members of the Board shall not be less than three and not more than nine, except where the joint property has only two units, and in which case the owners constitute the Board .

The general assembly may appoint three supplementary members to fill any vacancies in the Board .

As for the main or central unions, the statute of union may specify the number of members of the Board of Directors.

Article (37)

Legal Person's Representative and Multi-Owner Units

In the event of being a legal person, a member including a developer may nominate one person as its representative to run for election to the Board of Directors in the owners' union.

In case the unit is owned by more than one owner, one of them may be nominated for election to the Board of Directors.

Article (38)

Resignation of Board member

A member of the Board of Directors may resign during his/her tenure, without the owners' union being obliged to appoint a new member, provided that the remaining number of members is not less than three, except provided in Article (36) of this Decision. Otherwise, an extraordinary general assembly meeting shall be convened to elect the remaining members of the Board of Directors.

Article (39)

Dismissal of a Board member

The owners union may dismiss the chairman or any of the Board members in the following circumstances:

- 1- Failing to fulfil their obligations.
- 2- Chaos in managing the owners' union.
- 3- Conflicts between the Board members.
- 4- Other reasons specified in the statute of union.

In these circumstances, any of the reserve members appointed in accordance with Paragraph Three of Article (36) of this Decision may fill the vacancy arising from dismissal of a Board member and a new chairman may be appointed by the Board . Should there be an insufficient number of Board members, an extraordinary general assembly meeting may be called in accordance with the provisions of Article (58) of this Decision to elect the new members.

Article (40)

Tenure of the Board of Directors

The tenure of the Board of Directors shall be two years starting from the election date of its members and ending at the general assembly meeting following the end of two years. The Board members may be elected for additional terms.

The tenure of Board members for a central or main owners' union shall be as specified in its statute of union.

Article (41)

Certificate of the names of the Board members

At request by or on behalf of the owners' union, the Authority shall prepare an official certificate of the names of the original and reserve members of the Board of Directors. Such certificate shall include the names of secretary, treasurer, chairman of the Board of Directors, vice-chairman, and the appointed Owners' union Manager, if any. The

application shall be accompanied by a true copy of the minutes of the general assembly meeting.

The Authority shall update the certificate upon receipt of notification of any change in the particulars in the certificate.

Article (42)

Amendment to the Union's Board certificate

Upon submission of evidence by the Board of Directors of dismissal or resignation of any member or in the event of a change in the membership of the Board of Directors, the Authority may amend the certificate by deleting such member or issuing a replacement certificate.

Article (43)

Powers and Functions of the Board of Directors

The Board of Directors of the owners' unions shall set the statutory duties:

- 1- Develop the general policy of the owners' union.
- 2- Control and manage the business of the owners' union.
- 3- The Board of Directors may exercise all the powers and carry out all the functions assigned to it in accordance with the provisions of this Decision, except as follows:
 - a- Approving the annual Budget.
 - b- Amending the statute and the principle system of the joint properties.
 - c- Approving the remuneration of the Board of Directors.
 - d- Any other restrictions imposed by the owners' union.
 - e- The functions and matters assigned to the general assembly in accordance with the provisions of this Decision.

A central or main owners' union may, by ordinary Decision, amend its statute of union or expressly authorize the Board to undertake the functions in Clause (2) of this Article, provided that the developer does not vote on this Decision.

The Board of Directors may form one or more committees from among its members to carry out one or more specific actions; supervise any aspect of the owners' union business or exercise certain powers or competences assigned to the Board of Directors.

Article (44)

Disclosing conflict of interests

At the first meeting of the Board of Directors, the Board member shall disclose any direct or indirect personal interest or any conditions or circumstances that may give rise to doubts about his/her impartiality or independence or are in conflict with the requirements of his/her duties. If any of such conditions or circumstances arise during the member's tenure, the member shall disclose the conflict in writing immediately to the Board of Directors before the discussion of the subject relating to the conflict of interests.

The Board member who has a conflicting interest may not participate in the meeting or vote on any matter relating to the conflict of interest. Such member may not continue to be present at the meeting when discussing the issue that relates to conflict of interest unless the Board of Directors asks the member to do so for the purpose of providing information.

Article (45)

Duties and responsibilities of the Board of Directors

The union's Board of Directors shall perform its functions honestly and fairly for the benefit of the owners union and carry out due diligence to ensure that the owners union fulfills its obligations.

The Board of Directors or any member thereof shall only be liable for the intentional errors or gross negligence causing damage to the owners' union.

Article (46)

Convening the Board of Directors

The invitation to the meeting of the Board of Directors, including a detailed agenda, date and place of the meeting, shall be issued at least seven days prior to the scheduled meeting date. Such period may be reduced in urgent cases if the majority of the members of the Board of Directors agree on the same in writing.

Subject to the provisions of Article (65) of this Decision, if the invitation to a meeting included an option for the members to participate via electronic or telephone means, the meeting agenda shall show all the information about how the members shall use such means.

Article (47)

Union's Board meetings

The Board meeting shall be valid in the presence of the majority of its members, provided that the chairman or deputy chairman is among them. The decisions of the Board shall be made by the majority of the votes of those present, and when the votes are equal, the chairman shall have a casting vote and each member has only one vote. In all cases, the decisions shall be in writing.

A Board member is not entitled to vote if he has not paid the subscription payable thereby.

The central and main owners' unions may determine another method of voting, including voting based on the Vote Ratio for Board meetings as set out in the statute.

Article (48)

Contracts and covenants concluded by the Board of Directors

Contracts and undertakings shall be signed by the Owners' union Manager and two Board members. In case of no union manager, they shall be signed by the union Board Chairman, secretary and treasurer and shall carry the union's stamp.

In all circumstances the owners' union shall be entitled to take steps to terminate a contract or undertaking where the counter party knows that the internal approvals are not in place or have been made in a manipulative manner.

Article (49)

Voting by circulation

The Board of Directors may adopt its Decisions by circulation with consent of the majority of its members and proceed with their implementation, provided that they are made in writing. However, such Decisions shall be included for approval in the agenda of the meeting immediately following the passing of those Decisions.

The Board of Directors may set mechanisms, conditions and rules to circulate and manage its Decisions.

Article (50)

Election of the chairman, vice-chairman, treasurer and secretary

The Board of Directors shall elect its chairman, vice-chairman, treasurer and secretary and shall determine their duties if they are not determined by the owners' union.

No Board member may be elected as treasurer for two consecutive tenures and may not hold more than one position without approval of the general assembly.

Article (51)

Functions of the secretary and the treasurer

The secretary's duties are to record the minutes of meetings, send notices of meetings, notices under the joint ownership statute, notices of subscription payment, and any other duties assigned thereto by the chairman.

The functions of the treasurer include issuing statements of annual subscriptions, preparing financial statements and annual Budgets.

The statute of union may set out additional duties for the secretary and treasurer.

Chapter Six

General assembly meetings

Article (52)

Notice of Meeting

The general assembly of the owners' union shall be held annually by sending a written notice to owners twenty- eight days prior to the scheduled date of the general assembly meeting for the central owners' union, twenty-one days for the main owners' union and fourteen days for the central owners' union.

The statute of union may specify other periods for sending the notification of the meeting.

Article (53)

Controls of notification to hold General assembly

The notice shall be given to all Owners and contain:

- 1- The date, time and place of the general assembly.
- 2- A detailed agenda which includes the following items:

- a- At the first general assembly, an item for the appointment of a chairperson to preside over the general assembly.
- b- An item for confirmation of the minutes of the previous general assembly.
- c- An item for consideration of the annual financial statements.
- d- Review of the proposed Budget and subscriptions and payment dates during the following year.
- e- Election of the Board of Directors.
- f- The issues that the Board of Directors seeks to present to the general assembly.
- g- The issues that the members may request (in writing) to be included in the agenda.
- h- Any requests or Decisions to be approved by a special Decision.
- i- Any other business as may arise.

Article (54)

Documents to accompany the notice

The notices shall be accompanied by the following:

- 1- A Copy of meeting minutes for adoption.
- 2- A copy of the annual financial statements.
- 3- Details of the existing insurance policies.
- 4- A copy of the proposed Budget, including proposed annual subscriptions.
- 5- A copy of any other documents required to be submitted in order to consider the various agenda items.
- 6- A copy of the sample of power of attorney.

7- A Voting Paper that defines the proposed Decisions.

Article (55)

Attending general assembly

The participation in the general assembly of the main owners union shall be by the chairpersons of the Board of Directors of the owners' unions, in addition to owners of the Main Units.

The participation in the general assembly of the central owners' union shall be by the chairpersons of the Board of Directors of the main owners' union or representatives approved by members and owners of the Central Units.

The owners' union may appoint an Independent Observer to participate in the meetings of the general assembly.

Article (56)

Obligations of Chairpersons of the Board of Directors

The chairperson of the Board of Directors shall:

- 1- Vote according to instructions of the owners' union which they represent.
- 2- Disclose any conflict of interest with respect to any of the Decisions to be voted on.
- 3- Act honestly and impartially in the performance of their duties as representatives and not take advantage of their positions to achieve direct or indirect interest or benefit.
- 4- Provide the owners' union with the results of the meeting and the Decisions that have been adopted.

Article (57)

Obligations of the main and central owners' union before the general assembly meeting

The central owners' union shall ensure that the main owners' union has accurate details of the Decisions and documents to be voted on at the general assembly meeting of the central owners' union and has the opportunity to meet and instruct the chairman on how to vote.

The same obligation mentioned in the preceding paragraph shall apply to the main owners' union with regards to the owners' unions.

Article (58)

Extraordinary general assembly meetings

An extraordinary general assembly shall be convened in the following circumstances:

- 1- At the Authority's request.
- 2- At the request of two members of the union's Board members or its chairman.
- 3- At the request by members of not less than (25%) of the number of units in the owners' union, provided that an Independent Observer shall attend the meeting and submit a report to the Authority on the conduct of the meeting unless this requirement is waived by the Authority. The cost of the Independent Observer's appointment is borne by the owners' union.

When the Independent Observer indicates that the extraordinary general assembly was convened in accordance with legal procedures and the documents are prepared as required, the Board of Directors and the Authority may ignore a subsequent request by (25%) of the owners to hold another extraordinary general assembly to discuss the issues that have been decided on in the previous extraordinary general assembly.

The notice of an extraordinary general assembly need not contain all the particulars required to convene the general assembly.

Where the number of members is less than ten, two members may request the meeting unless the statute of union provide otherwise.

Article (59)

Voting at a general assembly

Each member shall vote in accordance with the provisions of this Decision. If the unit is owned by more than one person or owned by a company, voting shall be through a proxy or a legal representative or through Voting Paper signed by the owners or their legal representative.

As for the owners' union, voting by a member shall not be permitted if there are any outstanding financial dues on the unit except for voting on Decisions that require a special Decision or voting on a Decision to terminate the joint property.

A person may not be a proxy for more than (10%) of the common part and voting entitlements in the joint property unless appointed by a single owner holding more than (10%) of the entitlement.

When a member borrows from a bank or a financial institution and the name of the bank or financial institution appears on the title deed as the owner, such member shall provide the owners' union with a letter from the bank or financial institution authorizing the member to vote at meetings of the owners' union.

Article (60)

Disqualifying the developer from voting

The developer shall not be entitled to vote in the following cases:

1- If all units are sold in a joint property.

2- Voting on any contract for goods or services, whenever the developer has an interest therein.

3- Voting on a Decision to take action against him for the breach of its obligations.

4- Voting on a Decision granting the developer exclusive use rights or any other rights to use the common parts, including car parks, or voting on a Decision granting it a benefit or privilege that is not available to the other owners, unless the rights are temporary in nature, and the Decision establishing the right includes reasonable compensation to be paid by the developer to the owners' union.

Article (61)

General Assembly Meeting Legal Quorum

For a general assembly meeting to be valid, a quorum of (50%) of the owners of unit in a joint property shall be present in person, by proxy or by legal representative whether the voting is by a ballot Paper or electronic voting.

If the quorum is not present within one hour of the scheduled time for commencement of the general assembly, the general assembly meeting shall be postponed and held at the same time and place after the lapse of seven days from the date of the first meeting. Such meeting shall be validly convened by presence of any number of members.

Article (62)

Voting paper

Voting may be made on a ballot Paper in accordance with the following requirements:

- 1- The general assembly meeting and voting notices shall be sent to the member through the Ballot Paper at the notified email address or through the post office.
- 2- The Decisions to be voted on shall be recorded in the agenda of the meeting and in the Ballot Paper.
- 3- The member shall mark in the Ballot Paper for acceptance or rejection of the Decision to be voted on.
- 4- The member shall sign the Ballot Paper and it should be witnessed by an adult person and copies of the identity card or passport of both the member and the witness should be attached to the form.
- 5- The member shall return the Ballot Paper to the owners' union before holding the meeting by e-mail or post office.
- 6- All the records of the meeting shall be kept.

In all cases, the provisions relating to the meetings of the General Assembly shall be applied.

Article (63)

Ordinary Decision

Voting on ordinary Decisions shall be by the majority of the present members and in accordance with Article (59) of this Decision and shall be by Ordinary Decision except as otherwise required by this Decision or the statute or principle joint ownership system.

Each unit owner shall have one vote on a show of hands or shall vote according to the Vote Ratio if the chairman so decides or at the request of one of the members voting on such Decision, in which case each owner shall have a vote value determined by the Vote Ratio of the owner's unit.

The statute may determine equal voting ratios in any of the following cases:

- 1- Owners want to have equal voting rights.
- 2- To achieve the optimal governance of the joint property if owners' equal voting will be positive.

Article (64)

Special Decision

Voting on the special Decision shall be adopted by the present members authorized to vote in accordance with the provisions of Article (59) of this Decision, provided that the votes in favour of the Decision represent at least (60%) of the common parts entitlement and at least (60%) of votes of the Vote Ratio.

Article (65)

Holding the meeting by electronic or telephone means

The statute of union of the owners' union may provide that the general assembly or meeting of the Board of Directors may be held through any means of electronic or telephone communications, provided that the measures are taken to ensure:

- 1- Verification of the identity of the meeting participant and the validity of any power of attorney whereby a proxy is participating in the meeting.
- 2- Enabling full participation of the Board member in the meeting, as if such member is present at the meeting place, including being aware of all that is going on in the meeting, giving opinions and participating in discussions.
- 3- The proper recording of any statement or vote that may be made by the participant in the meeting.

4- The taking of any other measures determined by a Decision from the Authority.

Chapter Seven

Owners' union Manager

Article (66)

Mechanism of the Owners' union Manager Appointment

The Owners' union shall do as follows:

- 1- Appoint, by an ordinary Decision, Manager for the Owners' union licensed by the Authority.
- 2- Authorize, by an ordinary Decision, the Board of Directors to appoint the Owners' union Manager.

The appointment decision shall indicate the functions of the manager.

The Owners union Manager of a central or main owners union may be appointed as the Owners' union Manager of other joint properties.

Article (67)

Obligations of the Owners' union Manager

Without limiting any additional contractual obligations, the Owners union Manager is required to:

- 1- Work with the Board of Directors to develop strategies for managing the common parts.
- 2- Implement the strategies, programs and plans developed by the Board of Directors.
- 3- Facilitate convening the general assembly meetings.
- 4- Provide a variety of administrative and secretarial services to the owners' union Board of Directors.

- 5- Facilitate the Board of Directors' performance of its functions and exercise of its powers.
- 6- Take the actions required for making tenders and concluding contracts on behalf of the owners' union.
- 7- Supervise the performance of contractors and suppliers and submit reports to the Board of Directors and the general assembly.
- 8- Prepare the annual Budgets, in coordination with the treasurer, for approval by the Board of Directors.
- 9- Address queries and complaints of the Owners.
- 10- Process insurance claims.
- 11- Carry out the basic financial operations.
- 12- Supervise the judicial proceedings, including any proceedings set forth under Article (68) paragraph (b) of the Law.
- 13- Ensure all proposed Works are compliant and supervise such Works.
- 14- Gather, update and maintain all the information of the owners' union, including the members' lists and addresses.
- 15- Follow the legal instructions of the owners' union or the Board of Directors.
- 16- Disclose any conflict of interest to the Board of Directors or the general assembly.
- 17- Act honestly, fairly and transparently in all his/her dealings with the Union's Board of Directors and the owners.

Article (68)

Contracting with Owners' union Manager

The Owners' union Manager shall conclude a written contract with the owners' union, including the following:

- 1- Name, license number and contact details of the Owners' union Manager.
- 2- Name of the owners' union.
- 3- The contract term, which may not exceed two years unless the Joint Property is within a layered joint property management or is subject to a Special Management Scheme.
- 4- The management fees for the entire term of the contract.
- 5- The duties assigned by the owners' union.
- 6- The conditions of contract.
- 7- Case of contract termination.
- 8- An undertaking from the Owners' union Manager to disclose any conflict of interest, remuneration or benefit obtained thereby as a result of the contract from or on behalf of the owners' union during the contract term.
- 9- The provisions relating to deposit of the annual subscriptions into the Operational Account and the Reserve Account.
- 10- Any agreement relating to accounts audit.

The owners' union or its Board of Directors may terminate the agreement with the Owners' Union Manager if the latter breaches the requirements of contract.

The owners union or its Board of Directors may terminate the agreement with the Owners' Union Manager if the latter breaches the requirements of contract.

Article (69)

Restrictions on Owners' Union Manager

The Owners Union Manager may not do any of the following:

- 1- Delegate to another person the obligations assigned to the Owners Union Manager under this Decision.
- 2- Determine the value of annual subscriptions.
- 3- Conclude contracts on behalf of the owners union without approval of the Board of Directors.

Article (70)

Standards of Appointing the Developer and Stakeholders

By a decision of the General Assembly, the developer may be appointed as the manager of the union, or a person who has a financial interest in his appointment with the manager may be appointed, provided that the following conditions are met:

- 1- The developer and the Owners' union Manager shall disclose any financial interests or relationship before voting; In case of failure to disclosure of the financial interest or relationship between the developer and the Owners' union Manager, the owners union may request termination of the contract under which the Owners' union Manager was appointed.
- 2- The developer shall not vote on the Decision.
- 3- The developer holds an Owners' union Manager license issued by the Authority when appointed as Owners' union Manager in the general assembly after the developer's management period has expired as specified in Article (8) of this Decision.

Chapter Eight

Union Members' Rights and Obligations

Article (71)

Obligations and Restriction

The Union members shall:

- 1- Notify the owners' union of any amendment to the ownership.
- 2- Comply with any architectural or engineering norm or standard specified in the statute of the Union or the principle joint ownership system Upon implementing any work or building to the unit.
- 3- Use their units in accordance with the permitted use and may not change the use except in accordance with this Decision.
- 4- Pay their subscriptions and any other liabilities to the union.
- 5- Provide the purchaser with a clearance certificate about the sold unit.
- 6- Ensure that the owners' union or Owners' union Manager has an up-to-date postal address and email address for the service of notices on the member.
- 7- Participate in the affairs of the owners' union and abide by any Decision made at validly convened meeting of the owners' union or the Board of Directors.
- 8- Ensure that he/she maintains adequate insurance of his/her interest within the development project. The member cannot avoid liability for a subscription for any reason, including:
 - A- Non-use of the common parts.
 - B- Non-development of or non-use of the unit.
 - C- Any perceived failure by the owners' union to repair or maintain the common parts.

Article (72)

Making Modifications to the Unit or Common parts

An Owner may paint walls, affix wallpaper, change floors, carpet or otherwise decorate the internal structure of the unit provided that:

- 1- The action complies with any requirements of the statute in respect to the transmission of any noise outside the unit.
- 2- The action does not damage the common parts.
- 3- He/she does not make any structural alteration to a unit without the consent of the owners' union.

Article (73)

Providing maintenance and internal repairs in a unit

A member or an occupant shall be committed to do the maintenance and internal renovation for the unit whenever lack of maintenance and internal renovation are detrimental to the building or any of units.

In the event that the member or the occupant of the unit fails to implement the internal maintenance and repairs, the director of the union or the chairman of the Board of Directors of the Union may request the competent court to rule that these repairs be carried out by himself and at the expense of the member or the occupant of the unit, provided that any compensation or expenses incurred by the Union are claimed as a result.

Article (74)

Filing a lawsuit for compliance with the Operational Rules and the Joint Ownership Statute

The Owners' union Manager may, on his/her own initiative or at a request submitted by the Board of Directors or any member of the owners' union, file a lawsuit against any member of the owners' union, tenant or occupant of a real estate unit for violating the Operational Rules or the joint ownership statute. Any damages or expenses incurred

by the owners' union in connection with the lawsuit may be claimed in the proceedings.

If there is no manager for the union, the Board Chairman may take the actions stated in the previous paragraph after taking the approval of the Board members.

Chapter Nine

Statute and Principal System and Operational Rules

Article (75)

Adherence to the Statute and Principal System of the Union

The member shall, towards the owners and occupants of other units and the owners' union, adhere to statute and principal system and to the requirements of the central and main principle joint ownership system, to the building management regulation and to any other Special Management Scheme explained in its principle joint ownership system.

The occupant of the unit shall, towards the owners and occupants of other units and the owners' union, adhere to the Statute and principal system as far as their provisions apply to such occupant.

The unit's tenant shall, towards the owners and occupants of other units and the owners' union, abide by the Statute and Principal System of Joint Property.

Article (76)

Amendment to the principle system and statute of union

A- Any Change to the principle joint ownership system or statute of union shall be effective only after its approval by the Authority. Such amendment shall be officially annotated by the Bureau in its own register. The owners' union shall notify its members of the amendments within seven days as of their notation by the Bureau.

B- Changes to the Statute and Principal System of the union shall be made by an ordinary Decision by the general assembly, except as follows:

1- Changes to Exclusive Use rights established upon the initial registration of the principle joint ownership system may only be approved with the consent of the beneficiary of those Exclusive Use rights unless expressed otherwise in the joint ownership statute.

2- The changes to Entitlements of the units shall be in accordance with the instructions approved by the Authority.

3- Changes to the rights of easement and agreements provided for in the joint ownership statute shall be made with the consent of the beneficiary.

4- Changes to construction period agreements can only be made with the consent of the developer.

5- Changes to the timetable for construction and implementation of future stages of development of the Joint Property shall be made with the consent of the developer.

C- The Statute and Principal System shall be amended by a special Decision of the general assembly in the following matters:

1- Changes to the architectural landscaping or other theme around which the project is designed.

2- Changes to the permitted use of land in the Joint Property.

3- Changes to clauses that were placed with the aim of maintaining standards of maintenance.

The owners' union may add the following clauses to the principle system or the statute:

1- Functions delegated to the Board of Directors.

- 2- Remuneration of the Board of Directors.
- 3- Conditions for removal of the Board of Directors.
- 4- Establishment of an electronic voting mechanism subject to the approval of the Authority.
- 5- Development of a mechanism for settlement of the internal disputes, including mediation by members of the Board of Directors who are not party to or represent a party to the dispute.
- 6- Other clauses the owners' union considers necessary for the good governance of the Joint Property.

Article (77)

Amendments to the Building Management Regulations and Special Management Scheme

Amendments may be made to the building management regulations and to any Special Management Scheme by ordinary Decision of the owners' union and with the consent of the beneficiaries of these amendments.

Article (78)

Operational Rules

The general assembly of the owners union may adopt or amend the Operational Rules in relation to the measures of safety and security and determine the common parts that may not be used in certain times and decide on any other matters that ensure the good use of the joint property subject to the statute.

Article (79)

Conclusion of Contracts Exceeding Two Years

For owners' unions, the service contracts concluded during the term in which the developer owns more than (50%) of the Common part

Entitlements and Vote Ratio may not exceed two years. The members may file a lawsuit against the developer to claim compensation for the damage they suffer from the developer's conclusion of contracts that exceed this period of time.

The main and central owners unions may conclude service contracts that exceed two years subject to approval of the general assembly or the Board of Directors.

Chapter ten

Rights and Powers of the Authority

Article (80)

Powers of the Authority

Without prejudice to the Authority's powers as stated in the law, the Authority has the right to do the following:

- 1- Require the owners' union to hire independent experts, at its own expense, to prepare reports to enable the Authority to perform its functions.
- 2- Require the owners' union and third parties to submit disputes arising among them to the mediation committees , and the owners union shall bear the costs of mediation, without limiting the ability of such committees to issue an order obliging the other party to bear these costs.
- 3- Instruct the owners' union to appoint an Independent Observer approved by the Authority for monitoring the proceedings at any general assembly of the owners' union, provided that the owners' union shall pay such cost.
- 4- Issue binding directions to owners' unions by publication on its website.

- 5- Review all records of the owners' union (including those of the Board of Directors).
- 6- Review any information held by the owners, when they are relevant to the affairs of the owners' union.
- 7- Access all records and information held by the Owners' union Manager.
- 8- Request information from the Bureau's records to determine the ownership of units.
- 9- Require the owners' union to hold a general assembly meeting and to include the items in the agenda for its consideration.
- 10- Appoint an administrative officer in accordance with Article (82) of this Decision.
- 11- Establish procedures for the arbitration of disputes involving the owners' unions and require the disputing parties to participate upon the request of the union.
- 12- Issue the instructions and directives to consider the development project as a joint property.
- 13- Approve the measures and mechanisms developed by the owners' union to confront the violators.
- 14- Issue guidelines to implement the provisions of this Decision, and to define the statute of the owners' union and the form of the joint ownership statute.
- 15- Set a mechanism to terminate the Joint Property.
- 16- Establish a mechanism to be followed in the event that the joint property is registered under a lease or a property utilization and development right.
- 17- To direct the Owners Union if it desires to adjust unit entitlements.

- 18- Reject any application from the units that do not have separate meters for electricity and water; and instruct their installation.
- 19- Require the preparation of a succinct summary of the document when the principle joint ownership system and statute of union appear to the Authority to be difficult for members to understand.
- 20- Exempt some owners unions of some of the conditions and obligations set out in this Decision because of their nature.
- 21- Determine the requirements for the contract between the owners' union and the union manager.
- 22- Issue directions and guidelines for the transition of existing development projects.
- 23- Issue Directions and guidelines for Special Management Schemes including serviced apartments and branded residences.

Article (81)

The power of the Authority when ownership cannot be transferred

When the developer fails to hand over title deeds for some of the units in the joint property for any reasons, the Authority shall have power at the request of the buyers to authorize them to participate in the owners' union affairs as owners of these units, in line with the requirements of the Authority.

Article (82)

Appointment of an Administrator

The Authority may appoint an interim Administrator to handle the affairs of the owners' union for a specified period of time at the expense of the owners' union in the following cases:

- 1- The owners' union's violation of its material obligations imposed by the Law, this Decision or the directives issued under the Law.

2- If the affairs of the owners' union are in serious disarray.

The interim Administrator may also be the Owners' union Manager or another advisory expert in the field of joint property, provided that he/she is able to fulfil the obligations of the owners' union set under the provisions of the Law and this Decision.

Article (83)

Effects of Administrative Officer Appointment

Appointment of an interim administrative officer shall result in the following:

- 1- All the positions of the Board of Directors shall become vacant.
- 2- The interim administrative director shall be empowered with all the powers and duties of the Union.
- 3- The interim managing director shall comply with the directives issued by the Corporation, whether they are contained in the appointment document or subsequent to it.

Article (84)

Invitation to the general assembly

The interim administrative officer shall, adequately before the end of his/her tenure, extend an invitation to convene the general assembly to elect a new Board of Directors to assume the responsibility of the owners' union.

Article (85)

Notifications

Any notice to the member shall be served by e-mail or at any other address provided by such member in accordance with Article No.(53) and Article No.(54) of this Decision, and any notice to the owners' union

shall be served at the address of the Owners' union Manager, chairman of the Board of Directors, Treasurer or Secretary.

The Owners' union Manager shall be notified at the address registered as domicile of the Owners' union Manager.

Article (86)

Obligation of Members to update their Addresses

Service of notices shall be legally proper and effective if sent by registered post to the postal address or email address of the member provided by the member under Article (71) of this Decision.

A member may not object to lack of service if the notice was sent to an out-of-date address for the member.

Article (87)

Verification of the Receipt of Notices

Notices shall be deemed to be received upon confirmation of their delivery by the computer server in case of sending by e-mail, or upon acknowledgement of receipt in case of sending by any other means.

Article (88)

Notification of Members with out-of-date Addresses

If a member fails to provide any address or to acknowledge receipt of the notice within a reasonable period of time as estimated by the owners' union, the owners' union shall have the right to execute the notice by posting any warning on the main entrances of the unit.

The Authority may determine other means by which notices may be served pursuant to this Decision.

Article (89)

Termination of the Joint Property

The joint property may be terminated where the building is to be demolished or redeveloped in any of the following cases:

- 1- Under a Decision by the owners in the general assembly with voting not less than (90%) of the common part entitlement and voting ratio.
- 2- By a court order.
- 3- By the approval of the Authority and the competent authority upon submission of a certificate from a consultant engineer stating that the structural system cannot be corrected, or is likely to collapse.
- 4- Under a mechanism set by the Authority for the termination of the Joint Property.

The application to terminate the Joint Property shall comply with the directions issued by the Authority in this regard.

Chapter Eleven

Provisional and Concluding Provisions

Article (90)

Existing Owners' Unions

The developers, existing joint properties owners and existing owners unions at the time of enforcement of this Decision shall bring their situations in compliance with its provisions within six months as of the date of enforcement.

The Bureau or the Authority may request an additional plan showing the common parts in existing development projects if such projects apply for registering the property site plan.

Owners unions existing at the time of issuing this Decision shall amend their statute of union according to the provisions of the statute of union published on the Authority's website.

Where plots or units in an existing real estate project are sold for the purpose of establishing a joint property, this shall be shown in the sale contract and other documents. The owners may agree to conduct a general assembly meeting to:

- 1- Resolve to transition to a joint property structure.
- 2- Approve draft property site plan and documentation including Statute and Principal System of Joint Property to govern its operation as a joint property.

Where an owner is part of a joint property in the existing real estate project, it may be represented at the meeting by its duly appointed Chairman of the Board of Directors; or may be represented by a representative duly appointed by the owners.

Plans and documents approved in the meeting shall be deposited with the Bureau for registration purposes.

Article (91)

Conversion of Other Real Estate Projects

If the sale contract and documents attached thereto do not state that the purpose of selling the plots and units in an existing real estate project is to create a joint property, the owners may agree to hold a general assembly meeting to:

- 1- Make a decision regarding transition to a joint property structure.
- 2- Approve plans that define the units and common parts.
- 3- Approve documentation including principle joint ownership system and statute to govern its operation as a joint property.

The developer may offer to convert the project to a joint property, provided that it shall:

- 1- Prepare the draft property site plan and necessary documentation.

2- Propose a general assembly meeting and define the voting process to permit the orderly conduct of the meeting.

3- Send by registered mail a notice of meeting to all owners attaching an agenda and plans, documents and Decisions to be considered at the meeting.

4- Appoint an Independent Observer.

5- Convene the meeting.

6- Prepare and circulate the minutes of the meeting by registered mail to all owners, clearly stating the date of the minutes of meeting.

Owners who disagree with the outcomes at the meeting may resort to court within a period of two weeks after the date of the minutes of meeting. Schemes and documents approved in the said meeting shall be deposited with the Bureau for registration purposes.

Upon the expiry of period appointed for resorting to the court, the Bureau may register the schemes and documents if it has not received a court order to the contrary, if the report of the Independent Observer confirms that the meeting was duly convened and the owners were given the opportunity to vote on the Decision.

Article (92)

Cancellation

Decision No. (7) of 2018 regulating Owners' unions and Joint Properties as well as any other provision that contradict this Decisions shall be repealed.

Article (93)

Entry into Force

The Chief Executive Officer and the concerned -each within his jurisdiction- shall implement this Decision, and it shall come into force from the day following the date of its publication in the Official Gazette.

President of the Board of Directors of the Real Estate Regulatory Authority

Salman bin Abdullah bin Hamad Al Khalifa

Issued on: 14 Ramadan 1441 A.H

Corresponding to: 7 May 2020