PROCLAMATION NO. 370/2003
CONDOMINIUM PROCLAMATION

WHEREAS, it is deemed necessary to implement other alternatives of urban land use in addition to plots basis urban land use to narrow the imbalance between the demand for any supply of housing;

WHEREAS, is recognized that the allocation of urban land to a high rise or a row of houses condominium building will contribute to maintain the beauty of the urban areas and to the improvement of urban land use and supply of housing through making great number of people benefit and commonly hold a small size of urban land;

WHEREAS, it is essential to the development of condominium to create favorable conditions, to private developers and co-operatives, which have a major contributions towards the development of condominium and also to purchase of units and to all others, which have a right, related to the condominium;

NOW, THEREFORE, in accordance with Article 55 Sub Article (1) of the Federal Democratic Republic of Ethiopia it is here by proclaimed as follows:

PART ONE
GENERAL

1) Short Title
This Proclamation may be cited as the "Condominium Proclamation No. 370/2003"
2) Definition
In this Proclamation:-
1) "Condominium" means a building for residential or other purpose with five or more separately owned units and common elements, in a high-rise building or in a row of houses, and includes the land holding of the building,
2) "Common elements" means all that are part of the condominium except the units,
3) "Common expense" means any expense related to the performance of the objectives and duties of unit owners association and any expenses specified as common expenses in this proclamation or in a declaration,
4) "Common surplus" means the excess of all receipts of the owners association over the expenses of the association,
5) "Declarant" means any one who registers a building under Art. 3 of this proclamation,
6) "Declaration" means an instrument that describes the rights and obligation of the unit owners association and of each unit owner and includes any amendments thereto,
7) "Description" means an instrument that specifies the name and location of the condominium, the boundaries of units and of common elements, and includes all amendments thereto,
8) "Limited common elements" means common elements designated for the exclusive use of only one or some of the units,
9) "Unit owners Association" means an association of unit owners instituted under this proclamation,
10) "Person" means natural or legal person,
11) "Registrar" means an office assigned to register a condominium in accordance with this proclamation,
12) "Unit" means a part of the building consisting one or more rooms and designated for a specific purpose in a declaration and description,

3. Scope of Application
This Proclamation shall apply on Addis Ababa and Dire Dawa City Administration,

PART TWO
REGISTRATION AND CERTIFICATE

4. Registration of Condominium
1) Subject to provisions of this Proclamation, a building may be registered as a condominium when the owners or their agents submit written application declaring the intention that the building be governed under this Proclamation together with a declaration; description, by-laws, and rules.
2) The contents of declaration, description by-laws and rules shall be determined by the Regulations issued to implement this Proclamation.
3) The declaration description by laws and rules shall be approved and registered by the registrar.

5. Certificate of Registration
Certificate of registration shall be issued for the declarant where the building is registered under this Proclamation.
The unit owners associations shall have the following objectives:

1) Manage the condominium on behalf of unit owners;

2) Ensure the peace and security of residents in the Condominium;

3) A unit owners association shall be established as an independent legal person.

7. Amendment to Declaration Description By-laws and Rules

1) The amendment of declaration description by-laws and rules shall be approved by a 2/3rd majority vote of unit owners.

2) The amendment of declaration description by-laws and rules approved by unit owners shall be effective only upon registration and issuance of certificate thereof.

PART THREE

OWNERSHIP

8. Unit Ownership

1) Subject to this Proclamation a unit owner is entitled to ownership right upon the unit.

2) A unit of a building registered under this Proclamation may be subject of any legal transaction.

9. Common Elements

1) Subject to the restrictions in this Proclamation, the declaration, description by-laws and rules any unit owner shall have the right to properly use the common elements.

2) The right to use common elements is undivided and attached to the unit ownership.

3) The percentage of the undivided share of interest in the common elements attached to the unit ownership shall be determined in the declaration.

4) The percentage of the undivided interest in the common elements shall be a part of the unit ownership and any legal act on a unit shall also be effective upon the undivided share of interest.

5) Unless otherwise provided in this Proclamation common elements are not divisible.

PART FOUR

UNIT OWNERS ASSOCIATION

10. The Association

The unit owners association is an association established with a view to obtaining mutual benefits other than securing or sharing of profits.

11. Objectives

The unit owners association shall have the following objectives:

1) manage the condominium on behalf of unit owners;

2) ensure the peace and security of residents in the Condominium;

3) ensure that unit owners, occupiers of units, lessees of the common elements comply with this Proclamation, declaration, description, by-laws and rules;

4) Perform other necessary activities in the interest of unit owners mutual benefit.
12. **Membership**

Every unit owner in a condominium shall be a member of the respective unit owners association.

13. **Powers and Duties of the Association**

The unit owners association shall have the following powers and duties:

1. adopt or amend the declaration description by-laws and rules.
2. approve budgets and amendments thereto;
3. determine the conditions on the use of common elements;
4. lease, subject to security and transfer the common elements;
5. determine fines, fees and contributions;
6. hire, administer fire employees;
7. own, subject to security and transfer property;
8. enter into contracts, to sue or be sued.

14. **Powers and Duties of the General Meeting**

The unit owners general meeting shall have the following powers and duties:

1. adopt or amend the declaration description by-laws and rules.
2. approve the by-laws and rules, and amendments thereto;
3. elect and remove members of the board of directors;
4. hear and decide on activity and audits of the association;
5. decide on amalgamation of the unit owners association with other unit owners associations and on termination of the condominium to be administered by this Proclamation.
6. approve the annual plan and budget;
7. Decide on such other matters as may be presented by the board of directors.

15. **Meeting of unit Owners**

1. The unit owners association shall hold annual general meeting.
2. The unit owners association shall hold other meetings as may be called by the board of directors.
3. A general meeting shall be called by the board of directors where owners of 25% of the units request for a general meeting.
4. There shall be a quorum in any general meeting where owners who own 50% +1 (fifty per cent plus one) and above of the units are present.
5. Unit owners may cast vote personally or by proxy.
6. Unless otherwise provided in this Proclamation all matters proposed for the consideration of the unit owners at a meeting of owners shall be decided by majority votes of owners.

16. **Board of Directors**

1. The board of directors is the managerial organ of unit owners association.
2. Provided that declarant may assign the first board of directors, the unit owners shall, from among the unit owners, elect the directors.
17. **The First Board of Directors**

1) The declarant shall designate the first board of directors after registration of condominium under this Proclamation.
2) Unit owners may elect additional members to the first board of directors or elect members for a succeeding board of directors.
3) The period of election under this Article, and the transitions of powers between the first board of directors and the succeeding board of directors shall be determined by regulations to be issued under this Proclamation.

18. **Powers and Duties of Board of Directors**

The board of directors shall have the following powers and duties:

1) call the unit owners’ General meeting under this Proclamation and keep minutes;
2) prepare amendments for the declaration, description, by-laws and rules and implement it upon approval;
3) prepare annual plans and the budget and implement it upon approval;
4) keep the records and accounts of the association;
5) implement the decisions of the general meetings of unit owners;
6) submit reports on the activities of the association to the general meetings;
7) perform such other duties as may be assigned by the general meetings.

19. **By-laws and Rules**

The unit owners association shall have by-laws and rules.

20. **Auditor**

1) Unit owners association shall have an auditors.
2) The appointment, number, qualification, duties and dismissal of an auditor shall be determined by regulation.

**PART FIVE**

**SALE AND LEASE OF A UNIT**

21. **Sale By the Declarant**

1) The declarant may conclude the contract of sell of a unit before or after registration of the building.
2) The declarant shall deliver a disclosure document to every person who purchases a unit from the declarant before or after the registration of the building.
3) The contract of sale shall not bind the purchaser until the declarant delivers him disclosure document.
4) A purchaser who received a disclosure document may, before transfer of ownership, cancel the contract of sale and notify in writing the cancellation of the contract to the declarant.
5) The declarant shall deliver the purchaser an amended disclosure document whenever there is a material change in matters declared in the disclosure document. The purchaser who received an amended disclosure or who discovered a material change may notify in writing the declarant the cancellation of the contract.
6) A declarant who entered into a contract of sale of a unit before the registration of the building shall complete construction and register the building without delay.

22. Lease of a Unit

1) The owner of a unit who leases or renews lease of a unit shall notify to the unit owners association the contract thereto, and shall provide a copy of the contract of lease or renewal.

2) The owner of a unit shall notify the unit owners association the termination of the contract of lease and provided the relevant document that evidence the termination.

3) The owner of a unit who leases a unit shall provide the lessee with a copy of the declaration and description, by-laws and rules of the condominium.

23. Interim Occupancy

The contract of sale of a unit may provide the occupancy of a unit by the purchaser before registration of the building and transfer of ownership and may determine the occupancy fee to be paid by the purchaser and the duties of the declarant during interim occupancy.

PART SIX
COMMON EXPENSES AND SURPLUS

24. Contribution by Owners

1) Without prejudice to other provisions of this Proclamation unit owners shall contribute to cover common expenses in proportion to their undivided interest in the common elements.

2) Sub Article 1 of this Article shall be applicable even if, the owner has waived the right to use the common elements or he has a claim against unit owners association or the declaration, by-laws and rules restrict him from using the common elements.

25. The Right to Lien

1) The unit owners’ association shall have lien right in proportion to the unpaid common expense against the owner’s unit and appurtenant common interest. The amount needed from the unit owners shall include interest on and expenses due to the delay of the payment of common expenses.

2) The unit owners association must in accordance with this proclamation obtain a certificate evidencing its right of lien within three months period, beginning from the default.

3) A lien right not registered with in the period fixed under Sub Article 2 of this Article shall have no effect after the lapse of the three months period.

4) The certificate evidencing the right to lien shall specify the defaulted amount and the expenses incurred by the association to recover the payment from the unit owner.

5) The unit owners association shall give 15 days notice to the concerned owners before the registration of the lien.
6) The unit owners' association shall cause the registration of payment and give a testimonial to the owner who paid the defaulted contribution under this Article.

7) The right to lien of the unit owners association under this Article shall have priority over registered or not registered rights except tax and duties of the government.

26. Common Surplus
1) The common Surplus obtained by the unit owners association shall be used to cover common expenses or shall be deposited in the reserve fund.
2) Common profit shall not be divided among unit owners except upon the dissolution of the association.

27. Repair and Maintenance
1) Repair of damage caused by accident:
   (a) The unit owners association shall repair units, common elements and the assets of the association damaged by accident.
   (b) Repair of damage caused by accident shall include repairing and replacing the damaged part. But it does not include repairing the damage caused to improvements made to a unit.
   (c) For the purpose of this proclamation improvements to a unit shall be determined in accordance with the standard set in the declaration to which a particular unit belong.
   (d) Notwithstanding Sub-Article 1(b) of this Article, the unit owners association shall have a responsibility to repair improvements made to a unit before the registration of the building.

2) Maintenance
   (a) The unit owners association shall have a responsibility to maintain common elements.
   (b) Each unit owners shall have a responsibility to maintain the a unit.
   (c) Each unit owners shall have a responsibility to maintain the limited common element reserved for their exclusive use.
   (d) The responsibility of maintenance shall mean wear and tear caused by normal use or old age.

3) Maintenance for the unit of owners
   (a) The unit owners association may maintain a common element or a unit, which a unit owner is responsible but failed to maintain with in a reasonable period of time.
   (b) The cost of the maintenance done under this Sub Article by the unit owners association shall be added to the contributions of the defaulting unit owner to the common expenses.

28. Reserved Fund
1) The unit owners’ association shall establish a reserve fund for repair and maintenance and may use it where necessary.
2) The unit owners’ association shall collect contribution from owners for the reserve fund.
3) The Reserve Fund Under this Article shall be the property of the unit owners association. And it shall not be divided among members except under this proclamation.
PART SEVEN
AMALGAMATION OF ASSOCIATION

29. Registration

1) Without prejudice to the provisions of this proclamation two or more unit owners associations may amalgamate by registering with the registrar the Declaration, description, by-laws and rules for the amalgamated association.

2) The registrar must ensure the decision for amalgamation is ratified by 80% of unit owners of each association and is signed by duly authorized representatives of each association.

3) The amalgamated declaration, description, by-laws and rules shall be presented and approved by the general meeting held to decide on amalgamation.

4) The last year audit report of the amalgamating unit owners associations shall also be notified to members of each association at a meeting mentioned under Sub Article 3.

30. Effect of Registration

1) The associations are amalgamated and one amalgamated association shall be established.

2) The units and common elements before the amalgamation association shall be units and common elements of the amalgamated association.

3) Without prejudice to the provisions of this proclamation two or more unit owners associations may amalgamate by registering with the registrar the declaration, description, by-laws and rules for the amalgamated association.

4) The amalgamated association shall designate one or more auditors serving until election is held under Article 31 of this proclamation.

5) The members of the amalgamated association shall designate one or more auditors serving until election is held under Article 31 of this proclamation.

6) The declaration, description, by-laws and rules approved and registered under Article 29 of this proclamation shall be the declaration, description, by-laws and rules of the amalgamating association.

7) The rights and duties of the (each) amalgamated association shall be transferred to the amalgamated association.

31. Election of Directors and Auditors

The general meeting of the amalgamated association shall, with in 90 days of registration of the declaration, description, by-laws and rules of the amalgamated association elect members of the board of directors and designate auditors.

PART EIGHT
TERMINATION OF CONDOMINIUM TO BE GOVERNED UNDER THIS PROCLAMATION

32. Consent of Unit Owners

The association shall notify in writing to the registrar if 80% of the owners vote for termination of the condominium to be governed under this proclamation.
33. Substantial Damage
1) Whenever the board of directors decides there is substantial damage to the building it must submit the matter to the general meeting and the later shall decide on the extent of the damage and whether to terminate the condominium to be governed by this proclamation.
2) The board shall notify the registrar if 80% of the owners vote for termination of the condominium to be governed by this proclamation in the general meeting held under Sub Article 1 of this Article.
3) The board must repair the damage if the unit owners do not vote in favor of the termination of the of the condominium to be governed by this proclamation by a majority determined by this Article.

34. Sale
1) If the condominium or part of the common element is sold, this proclamation shall cease to govern the respective condominium or common element thereof.
2) To make a sale under this Article, the association shall obtain:
   (a) 80% vote of unit owners in favor of sale, and
   (b) Consent expressed in writing of each unit owners to whom the limited common elements are designated where the sale includes limited common elements.

35. Expropriation for Public Interest
A condominium or a common element expropriated for public interest shall cease to be governed by this proclamation.

36. Proceeds and compensation
1) The unit owners shall share the proceeds of sale or compensation received for condominium or common elements sold or expropriated under Article 34 and 35 of this proclamation, in the same proportion to their interest in the common element.
2) Notwithstanding Sub-Article 1 of this Article the proceeds of sale of limited common elements shall be divided among owners, to whom it is designated.

37. Registration
1) The registrar shall examine the notice under Article 32 and Article 33 of this proclamation and shall register and deliver a certificate.
2) This proclamation and other laws enacted to implement this proclamation shall cases to govern the condominium up on the delivery of the certificate.

38. Distribution of Assets
When the condominium ceases to be governed by this proclamation,
1) The asset of the association shall be used to pay the debts of the association and
2) The remaining shall be divided among the owners in proportion to their common interest.
PART NINE
Co-operatives' Condominium

39. Establishment
Co-operatives may be established for the purpose of building a condominium.

40. Applicability of Co-operative societies Proclamation No. 147/1999
1) The co-operatives proclamation No. 147/98 shall be applicable on co-operatives established for the purpose of building a condominium.
2) This proclamation shall be applicable on co-operatives established for the purpose of building a condominium upon registration under this proclamation.

41. Registration of the Building
1) The management committee of the co-operative shall upon completion of construction, register the building under this proclamation.
2) The unit owners may elect a new board of directors and designate auditor within 90 days from registration.
3) The control committee under proclamation No. 147/98 shall be an auditor under this proclamation.

42. Power to issue Regulation
The City Administrator may issue Regulation necessary for the implementation of this proclamation.

43. Applicability of Other Laws
1) Articles 1281 to Article 1308 of the 1960 civil code of Ethiopia shall not be applicable on a condominium governed under this proclamation.
2) Any law, custom or practice shall not be applicable on matters dealt with under this proclamation.

44. Effective Date
This Proclamation shall enter into force on date of its publication in the Negarit Gazeta.
Done at Addis Ababa, this 11th day of September, 2003.

Girma Woldegiorgis
President of the Federal Democratic Republic of Ethiopia