

NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS
UNIFORM LAW CONFERENCE OF CANADA
MEXICAN CENTER ON UNIFORM LAW
JOINT PROJECT TO CREATE A HARMONIZED LEGAL FRAMEWORK FOR
UNINCORPORATED NONPROFIT ASSOCIATIONS IN NORTH AMERICA

<u>MEXICAN FEDERAL</u> <u>CIVIL CODE</u> <u>TITLE ELEVEN</u> <u>ASSOCIATIONS AND CIVIL</u> <u>COMPANIES</u> <u>I. ASSOCIATIONS</u>	<u>PROPOSAL OF AMENMENT OF</u> <u>THE FEDERAL DISTRICT CIVIL</u> <u>CODE</u> <u>THE MEXICAN CENTER ON</u> <u>UNIFORM LAW</u> <u>TITLE ELEVEN</u> <u>ASSOCIATIONS AND CIVIL</u> <u>COMPANIES</u> <u>I. ASSOCIATIONS</u>	<u>STATEMENT OF PRINCIPLES</u>
Article 2670 If. Two or more individuals agree to join together, their relationship being not merely casual, in order to pursue a common objective that is not prohibited by law and is not	Article 2670 If. Two or more individuals agree to join together, their relationship being not merely casual, in order to pursue a common objective that is not prohibited by law and is not	<u>PRINCIPLE #1.</u> A UNA is an unincorporated organization formed pursuant to an agreement, written or oral or inferred by conduct, by two or more persons to pursue one or more

preponderantly economic; they may constitute themselves into an association.	preponderantly economic; they may constitute themselves into an association.	common lawful nonprofit purposes that is not organized as a trust, a cooperative, a domestic partnership, or, except as otherwise provided in the Act, formed under any other statute that governs the organization and operation of certain designated unincorporated associations, and that is not merely a means of holding title to property as co-owners. A UNA has members, managers and governing principles. (PRINCIPLE #5. A UNA may engage in profit-making activities but any profits that result from such activities must be used or set aside for the UNA's nonprofit purposes)
Article 2671.- An agreement of association must be in writing.	Article 2671.- An agreement of association could be in writing, or derive from practices used by the association during the most recent five years or, if it has existed for less than five years, during its entire existence.	PRINCIPLE #2. The agreement forming the UNA becomes part of the UNA's "governing principles," an important term that should be defined in the Act. Governing principles are all the agreements that govern the purpose or operation of a UNA and the rights and obligations of its members and managers. If written, they are usually found in the UNA's constitution, articles of association, bylaws or regulations. If not covered

Article 2672.- An association may admit and exclude associate members.		by a writing, they would be established practices, which should also be a defined term (see Calif. Corp. Code §18010) ("established practices" means the practices used by an unincorporated association without material change or exception during the most recent five years of its existence, or if it has existed for less than five years, during its entire existence.")
Article 2672.- An association may admit and exclude associate members.	ARTICULO 2,672.- An association may admit and exclude associate members, who are authorized to manage the affairs of the association or in the development of the association's governing principles or policies.	PRINCIPLE # 3. "Members" of a UNA are the persons who, under the governing principles of a UNA, are entitled to participate in the selection of persons who are authorized to manage the affairs of the UNA or in the development of the UNA's governing principles or policies and have become members pursuant to Principle #35.
Article 2673 An association shall be governed by bylaws that must be recorded in the Public Registry to be effective against third parties.	ARTICULO 2673.- An association shall be governed by bylaws that could be in writing or come off by established practices used by the association during the most recent five years or, if it has existed for less than five years, during its entire existence.	PRINCIPLE #2. The agreement forming the UNA becomes part of the UNA's "governing principles," an important term that should be defined in the Act. Governing principles are all the agreements that govern the purpose or operation of a UNA and the rights and obligations of its members and managers. If written, they are usually found in the UNA's constitution, articles of association,

		bylaws or regulations. If not covered by a writing, they would be established practices, which should also be a defined term (see Calif. Corp. Code §18010) ("established practices" means the practices used by an unincorporated association without material change or exception during the most recent five years of its existence, or if it has existed for less than five years, during its entire existence.")
Article 2674.- The highest authority of an association vests in a general assembly. The director, or directors, shall have such authority as is granted to them in the by-laws and by the general assembly in accordance with the provisions of the by-laws. They could be members or not, in their absence, all the members will have the authority that is referred to in the first two paragraphs of article 2554 of this Code¹; to exercise the power	Article 2674.- The highest authority of an association vests in a general assembly. The director, directors, or attorneys in fact, shall have such authority as is granted to them in the by-laws and by the general assembly in accordance with the provisions of the by-laws. They could be members or not, in their absence, all the members will have the authority that is referred to in the first two paragraphs of article 2554 of this Code¹; to exercise the power	PRINCIPLE # 4. "Managers" are all those persons who have managerial responsibility within the UNA. The term includes directors, trustees, administrators and officers and anyone else (e.g., the minister of a church that is a UNA) who has been authorized to exercise governing, managerial or administrative authority. A manager may or may not be a member of a UNA. Principle # 28. A manager becomes a manager in accordance with the UNA's governing principles. If the UNA's governing principles do not provide a method for selecting managers or

¹ **Article 2554.** All general powers of attorney for legal presentation and collections shall be sufficient if they state that they grant all the general and special powers that require a special clause pursuant to law, so that it is understood that they are granted without limitations.

General powers of attorney to administer assets shall be sufficient if they state that the donee of the power has broad administrative capacities so that it is understood that he can exercise them.

In order for an agent to exercise powers of ownership with a general power of attorney, it shall be sufficient that it is granted in those terms so that the donee shall enjoy all the powers of an owner, either with regard to the assets or in connection with carrying out any activities to protect them.

If limitations are to be imposed on powers granted according to the three preceding paragraphs, they shall be clearly expressed in the grant; otherwise a special power of attorney may be granted.

All public notaries shall transcribe this Article on the certified copies of the formalized instrument of the power of attorney they issue.

2 Article 2587 An attorney does not require specifically enumerated powers, except in the following cases:

- I. To desist from an action;
- II. To settle an action;
- III. To submit to arbitration;
- IV. To answer and present interrogatories;
- V. To make an assignment of assets;
- VI. To recuse the judge;
- VII. To accept payment; or,
- VIII. To perform those things for which the law expressly so requires.

If in a general power of attorney one of the foregoing is to be included, the provisions of the first paragraph of Article 2554 shall be applicable.

3 Article 2555 A power of attorney must be granted by a notarial public instrument, or private instrument signed in the presence of two (2) witnesses and the signatures of the donor and witnesses ratified in the presence of a notary, a judge or the appropriate administrative agencies:

- I. If it is a general power of attorney;
- II. If the value of the subject-matter for which the power of attorney is granted equals or exceeds one thousand (1,000) times the general minimum wage prevailing at the time in the Federal District;
- III. If in the exercise of the power of attorney the donee has to perform an act, which according to law must also appear in a public notarial instrument.

4 Article 90. - The representation to grant or to subscribe credit titles is conferred:

	referred in the third paragraph of article 2554, and those that are referred in article 2587 ² , require compliance with the specifications of the article 2555 ³ ; for to subscription and endorsement of credit instruments, require compliance of article 94 of the General Law of Titles and Operations of Credit (Ley General de Títulos y Operaciones de Crédito).	
Article 2675.- The general assembly shall convene at such times as provided in the by-laws, or when called by the board of directors. The board shall convene a meeting when requested by not less than five (5%) percent of the membership, or if it fails to do so a meeting shall be convened by a Civil judge upon petition of the members.	Article 2675.- The general assembly shall convene at such times as provided in the by-laws, or when called by the board of directors. The board shall convene a meeting when requested by not less than five (5%) percent of the membership, or if it fails to do so a meeting shall be convened by a Civil judge upon petition of the members.	<u>PRINCIPLE # 26.</u> In the absence of provisions to the contrary in the UNA's governing principles, members of a UNA have equal governance rights and a majority of votes cast on a matter by members present and voting at a properly called meeting shall govern as to that matter.

- I. By means of being able properly enrolled in the Registry of Commerce; and
 - II. By simple written declaration directed to third with that will be to contract the representative.
- In the case of fraction I, the representation will be understood conferred respect to any person and in the one to fraction only II respect to that that the written declaration has been directed.
- In both cases, the representation will not have more limits than those than specifically have fixed him represented to the respective instrument or the declaration.

Article 2676. A general meeting shall resolve: I. The admission or exclusion of members; II. The anticipatory dissolution of the association, or the extension of its existence beyond the time fixed by the by-laws; III. The appointment of directors if they have not been designated in the articles of association; IV. The revocation of appointments; and, V. All other matters which according to the by-laws are to be resolved.	Article 2676 A general meeting shall resolve: I. The admission or exclusion of members; II. The anticipatory dissolution of the association, or the extension of its existence beyond the time fixed by the by-laws; III. The appointment of directors if they have not been designated in the articles of association; IV. The revocation of appointments; and, V. All other matters which according to the by-laws are to be resolved.	PRINCIPLE # 26. In the absence of provisions to the contrary in the UNA's governing principles, members of a UNA have equal governance rights and a majority of votes cast on a matter by members present and voting at a properly called meeting shall govern as to that matter.
Article 2677 General meetings shall address only the business contained in the notice of the agenda for the meeting.	Article 2677 General meetings shall address only the business contained in the notice of the agenda for the meeting.	PRINCIPLE # 26. In the absence of provisions to the contrary in the UNA's governing principles, members of a UNA have equal governance rights and a majority of votes cast on a matter by members present and voting at a properly called meeting shall govern as to that matter.
Article 2678 At general meetings each member shall have one vote.	Article 2678 At general meetings each member shall have one vote.	PRINCIPLE # 26. In the absence of provisions to the contrary in the UNA's governing

			principles, members of a UNA have equal governance rights and a majority of votes cast on a matter by members present and voting at a properly called meeting shall govern as to that matter.
Article 2679 A member shall not participate in the vote on resolutions if he, his spouse, his ascending or descending relatives or collateral relatives to the second degree of kinship have a personal interest in the issue.	Article 2679 A member shall not participate in the vote on resolutions if he, his spouse, his ascending or descending relatives or collateral relatives to the second degree of kinship have a personal interest in the issue.	PRINCIPLE # 26. In the absence of provisions to the contrary in the UNA's governing principles, members of a UNA have equal governance rights and a majority of votes cast on a matter by members present and voting at a properly called meeting shall govern as to that matter.	
Article 2680. Members of an association have the right to withdraw upon giving two (2) months advance notice.	Article 2680. Members of an association have the right to withdraw upon giving two (2) months advance notice, except when the bylaws establish otherwise, in any case, the members withdrawing shall remain liable from any monetary or other obligation outstanding at the time of withdrawal.	PRINCIPLE # 36. A member may voluntarily withdraw or resign from membership in a UNA in accordance with the UNA's governing principles. In the absence of applicable governing principles, a member may withdraw at any time but shall remain liable for any monetary or other obligation the member owes to the UNA at the time of withdrawal.	
Article 2681 Members may be excluded from an association only for causes provided in the by-laws.	Article 2681 Members may be excluded from an association only for causes provided in the by-laws. In the absence of applicable governing principles, a person can become a member or be suspended, dismissed	PRINCIPLE # 36. A person becomes a member of a UNA and can be suspended, dismissed or expelled from a UNA in accordance with the UNA's governing principles. In the absence of applicable governing principles, a	

	or expelled from a UNA by majority vote of the members. A member who is suspended, dismissed or expelled shall remain liable for any damages or obligation outstanding.	person can become a member or be suspended, dismissed or expelled from a UNA by majority vote of the members as set forth in Principle #26. A member who is suspended, dismissed or expelled shall remain liable for any damages or obligation the member owes to the UNA.
Article 2682. Members of an association who withdraw voluntarily or are excluded shall lose all rights to their share in the association	Article 2682 Members of an association who withdraw voluntarily or are excluded shall lose all rights to their share in the association	PRINCIPLE 35. A person becomes a member of a UNA and can be suspended, dismissed or expelled from a UNA in accordance with the UNA's governing principles. In the absence of applicable governing principles, a person can become a member or be suspended, dismissed or expelled from a UNA by majority vote of the members as set forth in Principle #26. A member who is suspended, dismissed or expelled shall remain liable for any damages or obligation the member owes to the UNA.
Article 2683 Members of an association have the right to insure that the membership fees are applied to the specified purposes of the association. For that purpose, the members may examine the books, statements and other documents of the association.	Article 2683 Members of an association have the right to insure that the membership fees are applied to the specified purposes of the association. For that purpose, the members may examine the books, statements and other documents of the association.	PRINCIPLE 32. Members and managers of a UNA shall have the same rights to inspect and copy the UNA's books and records and to disclosure of information about the UNA's operations as members and directors and officers of nonprofit corporations have under the enacting jurisdiction's nonprofit corporation code. These rights may be limited or conditioned, if not manifestly unreasonable, but not wholly eliminated by the governing principles of the UNA.

Article 2684. Membership in an association is neither transferable nor assignable. Article 2685 In addition to the grounds set forth in the by-laws, an association shall terminate: I. By consent of the general assembly; II. At the conclusion of the period set for its duration, or on having completed the purpose for which it was formed; III. If the accomplishment of its objective becomes an impossibility; or, IV. By a final judgment to that effect issued by a competent authority.	Article 2684. Membership in an association is neither transferable nor assignable. Article 2685 In addition to the grounds set forth in the by-laws, an association shall terminate: I. By consent of the general assembly; II. At the conclusion of the period set for its duration, or on having completed the purpose for which it was formed; III. If the accomplishment of its objective becomes an impossibility; or, IV. By a final judgment to that effect issued by a competent authority. V. If the UNA's operations have been discontinued for at least three years by the managers or, if the UNA has no incumbent managers, by its last preceding incumbent managers.	PRINCIPLE 37. Unless otherwise provided in the UNA's governing principles, a member cannot transfer any of the member's membership interest in the UNA. Principle #38. A UNA may be dissolved by any of the following methods: (a) If the governing principles of the association provide a method for dissolution, by that method. (b) If the governing principles of the association do not provide a method for dissolution, by the affirmative vote of a majority of the members. (c) If the UNA's operations have been discontinued for at least three years by the managers or, if the UNA has no incumbent managers, by its last preceding incumbent managers. (d) If the UNA's operations have been discontinued, by court order.
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Article 2686 In case of dissolution, the assets of an association shall be distributed as provided by its bylaws, and in the absence of such provisions, in accordance with the resolutions of the general assembly. In the letter event, the general assembly may distribute to its members only a share of the assets that is equivalent to each member's contribution. The remainder shall be transferred to another association or foundation whose objective is similar to the one dissolved.	Article 2686 In case of dissolution, the assets of an association shall be distributed as provided by its bylaws, and in the absence of such provisions, in accordance with the resolutions of the general assembly. In the letter event, the general assembly may distribute to its members only a share of the assets that is equivalent to each member's contribution. The remainder shall be transferred to another association or foundation whose objective is similar to the one dissolved.	PRINCIPLE #39. Winding up and termination of a UNA must proceed as follows: (a) All known debts and liabilities must be paid or adequately provided for; (b) Any assets subject to a condition requiring return to the person designated by the donor must be transferred to that person; (c) Any assets subject to a trust (e.g., endowment or restricted gifts) must be distributed in accordance with the trust agreement; and (d) Any remaining assets must be distributed as follows: (i) As required by other law that requires assets of a nontaxable UNA to be distributed to another nontaxable UNA with similar purposes; (ii) In accordance with the UNA's governing principles; and in the absence of applicable governing principles, to the current members of the association per capita or as the current members direct; or (iii) If neither (i) nor (ii) apply, the net assets will escheat to the enacting jurisdiction by the means generally provided for escheat of
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			property in the enacting jurisdiction's law.
Article 2687 Charitable associations shall be governed by special applicable laws.	Article 2687 Charitable associations shall be governed by special applicable laws.		
	Article 2700. The capacity to hold realty by UNA shall be governed by the provisions of Article 27 of the Federal Constitution and its regulatory laws.		
Article 2704. Managing members shall be jointly and severally secondarily liable for the full amount of obligations incurred by the civil company association. Unless otherwise agreed, the non-managing members shall be liable only up to the amount of their contributions.	Article 2704. A UNA is liable for its acts or omissions and for the acts or omissions of its managers, employees and agents acting within the scope of their office, employment and agency to the same extent as if the UNA were a nonprofit corporation. A member or manager of a UNA is not liable for a debt or liability of the UNA merely by reason of being a member or manager of the UNA. Members shall be liable only up to the amount of their contributions. A member or manager of a UNA is liable for a contractual obligation of the UNA if the member or manager expressly	<u>Principle # 18.</u> A UNA is liable for its acts or omissions and for the acts or omissions of its managers, employees and agents acting within the scope of their office, employment and agency to the same extent as if the UNA were a nonprofit corporation. <u>Principle # 20.</u> A member or manager of a UNA is not liable for a debt or liability of the UNA merely by reason of being a member or manager of the UNA. <u>Principle # 21.</u> A member or manager of a UNA is liable for a contractual obligation of the UNA if the member or manager expressly assumes personal	

	assumes personal liability for the obligations or the member or manager executes a contract on behalf of the UNA without authority to execute the contract or without disclosing that the member or manager is acting as an agent on behalf of the UNA.	liability for the obligations or the member or manager executes a contract on behalf of the UNA without authority to execute the contract or without disclosing that the member or manager is acting as an agent on behalf of the UNA.
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