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SEVEN BASIC ITEMS REGARDING THE PURCHASE OF REAL PROPERTY IN MEXICO¹.

1. FORMALITY.

Be aware that in Mexico, it is essential to give your agreement proper form. All agreements or contracts for the purchase of real property in Mexico must a) be made in writing, b) be witnessed by or granted before a Mexican Notary Public and c) be recorded in the Public Registry of Property and Commerce.

2. LANGUAGE.

In addition, the parties' intent must be clear. A purchase agreement must spell out the seller's intention to convey title to the property and the buyer's intention to acquire the property. A simple receipt for a deposit toward the purchase price may not be sufficient evidence of a contract.

3. LANGUAGE (2).

Legal documents in Mexico are generally drafted only in Spanish. Most seller's will not provide an English translation even when one is requested. Be prepared to obtain one from a qualified source, such as your bilingual attorney.

4. INFORMATION.

Developers and sellers are obligated to provide potential buyers clear information regarding title to the property, price, payment terms and property description. This may include copies of property plans and deed of title. Very often this information is kept almost as secret and, if at all it is provided "For Your Eyes Only". Buyers should be allowed to take copies of the proposed contract and of the

seller's deed of title to their legal counsel for review and verification.

5. PROMISSORY AGREEMENT V. PURCHASE OR TRUST AGREEMENT.

Potential buyers are often offered preliminary contracts called "Contrato de Promesa", instead of a final trust or purchase agreement. These are preliminary contracts that are similar to an option. The main characteristic of these promissory agreements is that a) they are not the same thing as a purchase-sale or trust contract and b) the parties obligate instead to execute the final purchase-sale, or trust, agreement within a certain term and, often, on condition that title search or due diligence is carried out to buyer's satisfaction.

6. MEXICAN CONSUMER PROTECTION ACT.

This web site contains a copy of portions of the Mexican Consumer Protection Act and its Regulations which apply to the purchase of real property from developers. There is also an English version of each. You are encouraged to review them before your next meeting or conference with your Mexican realtor or developer.

7. LEGAL COUNSEL.

Although many operations may seem straight forward and simple, there is no substitute to having a qualified and experienced professional, such as a Mexican bilingual, bicultural attorney advice you during your purchase. Your peace of mind is certainly worth the additional cost.

¹ The information in this document is for general information purposes and does not constitute advice for a particular matter. It should not be relied upon for any particular situation without first consulting your qualified legal counsel.