

SECTION 4 - REMISSION OF DEBT

Art. 1888. A remission of debt by an obligee extinguishes the obligation. That remission may be express or tacit. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1889. An obligee's voluntary surrender to the obligor of the instrument evidencing the obligation gives rise to a presumption that the obligee intended to remit the debt. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1890. A remission of debt is effective when the obligor receives the communication from the obligee. Acceptance of a remission is always presumed unless the obligor rejects the remission within a reasonable time. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1891. Release of a real security given for performance of the obligation does not give rise to a presumption of remission of debt. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1892. Remission of debt granted to the principal obligor releases the sureties.

Remission of debt granted to the sureties does not release the principal obligor.

Remission of debt granted to one surety releases the other sureties only to the extent of the contribution the other sureties might have recovered from the surety to whom the remission was granted.

If the obligee grants a remission of debt to a surety in return for an advantage, that advantage will be imputed to the debt, unless the surety and the obligee agree otherwise. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 5 - COMPENSATION

Art. 1893. Compensation takes place by operation of law when two persons owe to each other sums of money or quantities of fungible things identical in kind, and these sums or quantities are liquidated and presently due.

In such a case, compensation extinguishes both obligations to the extent of the lesser amount.

Delays of grace do not prevent compensation. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1894. Compensation takes place regardless of the sources of the obligations.

Compensation does not take place, however, if one of the obligations is to return a thing of which the owner has been unjustly dispossessed, or is to return a thing given in deposit or loan for use, or if the object of one of the obligations is exempt from seizure. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1895. Compensation takes place even though the obligations are not to be performed at the same place, but allowance must be made in that case for the expenses of remittance. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1896. If an obligor owes more than one obligation subject to compensation, the rules of imputation of payment must be applied. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1897. Compensation between obligee and principal obligor extinguishes the obligation of a surety.

Compensation between obligee and surety does not extinguish the obligation of the principal obligor. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1898. Compensation between the obligee and one solidary obligor extinguishes the obligation of the other solidary obligors only for the portion of that obligor.

Compensation between one solidary obligee and the obligor extinguishes the obligation only for the portion of that obligee.

The compensation provided in this Article does not operate in favor of a liability insurer. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1899. Compensation can neither take place nor may it be renounced to the prejudice of rights previously acquired by third parties. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1900. An obligor who has consented to an assignment of the credit by the obligee to a third party may not claim against the latter any compensation that otherwise he could have claimed against the former.

An obligor who has been given notice of an assignment to which he did not consent may not claim compensation against the assignee for an obligation of the assignor arising after that notice. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1901. Compensation of obligations may take place also by agreement of the parties even though the requirements for compensation by operation of law are not met. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1902. Although the obligation claimed in compensation is unliquidated, the court can declare compensation as to that part of the obligation that is susceptible of prompt and easy liquidation. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 6 - CONFUSION

Art. 1903. When the qualities of obligee and obligor are united in the same person, the obligation is extinguished by confusion. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1904. Confusion of the qualities of obligee and obligor in the person of the principal obligor extinguishes the obligation of the surety.

Confusion of the qualities of obligee and obligor in the person of the surety does not extinguish the obligation of the principal obligor. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1905. If a solidary obligor becomes an obligee, confusion extinguishes the obligation only for the portion of that obligor.

If a solidary obligee becomes an obligor, confusion extinguishes the obligation only for the portion of that obligee. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

TITLE IV - CONVENTIONAL OBLIGATIONS OR CONTRACTS

CHAPTER 1 - GENERAL PRINCIPLES

Art. 1906. A contract is an agreement by two or more parties whereby obligations are created, modified, or extinguished. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1907. A contract is unilateral when the party who accepts the obligation of the other does not assume a reciprocal obligation. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1908. A contract is bilateral, or synallagmatic, when the parties obligate themselves reciprocally, so that the obligation of each party is correlative to the obligation of the other. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1909. A contract is onerous when each of the parties obtains an advantage in exchange for his obligation. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1910. A contract is gratuitous when one party obligates himself towards another for the benefit of the latter, without obtaining any advantage in return. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1911. A contract is commutative when the performance of the obligation of each party is correlative to the performance of the other. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1912. A contract is aleatory when, because of its nature or according to the parties' intent, the performance of either party's obligation, or the extent of the performance, depends on an uncertain event. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1913. A contract is accessory when it is made to provide security for the performance of an obligation. Suretyship, mortgage, pledge, and other types of security agreements are examples of such a contract.

When the secured obligation arises from a contract, either between the same or other parties, that contract is the principal contract. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985; Acts 1989, No. 137, §16, eff. Sept. 1, 1989]

Art. 1914. Nominate contracts are those given a special designation such as sale, lease, loan, or insurance.

Innominate contracts are those with no special designation. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1915. All contracts, nominate and innominate, are subject to the rules of this title. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1916. Nominate contracts are subject to the special rules of the respective titles when those rules modify, complement, or depart from the rules of this title. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1917. The rules of this title are applicable also to obligations that arise from sources other than contract to the extent that those rules are compatible with the nature of those obligations. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 2 - CONTRACTUAL CAPACITY AND EXCEPTIONS

Art. 1918. All persons have capacity to contract, except unemancipated minors, interdicts, and persons deprived of reason at the time of contracting. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1919. A contract made by a person without legal capacity is relatively null and may be rescinded only at the request of that person or his legal representative. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1920. Immediately after discovering the incapacity, a party, who at the time of contracting was ignorant of the incapacity of the other party, may require from that party, if the incapacity has ceased, or from the legal representative if it has not, that the contract be confirmed or rescinded. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1921. Upon rescission of a contract on the ground of incapacity, each party or his legal representative shall restore to the other what he has received thereunder. When restoration is impossible or impracticable, the court may award compensation to the party to whom restoration cannot be made. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1922. A fully emancipated minor has full contractual capacity. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1923. A contract by an unemancipated minor may be rescinded on grounds of incapacity except when made for the purpose of providing the minor with something necessary for his support or education, or for a purpose related to his business. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1924. The mere representation of majority by an unemancipated minor does not preclude an action for rescission of the contract. When the other party reasonably relies on the minor's representation of majority, the contract may not be rescinded. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1925. A noninterdicted person, who was deprived of reason at the time of contracting, may obtain rescission of an onerous contract upon the ground of incapacity only upon showing that the other party knew or should have known that person's incapacity. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1926. A contract made by a noninterdicted person deprived of reason at the time of contracting may be attacked

after his death, on the ground of incapacity, only when the contract is gratuitous, or it evidences lack of understanding, or was made within thirty days of his death, or when application for interdiction was filed before his death. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 3 - CONSENT

Art. 1927. A contract is formed by the consent of the parties established through offer and acceptance.

Unless the law prescribes a certain formality for the intended contract, offer and acceptance may be made orally, in writing, or by action or inaction that under the circumstances is clearly indicative of consent.

Unless otherwise specified in the offer, there need not be conformity between the manner in which the offer is made and the manner in which the acceptance is made. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1928. An offer that specifies a period of time for acceptance is irrevocable during that time.

When the offeror manifests an intent to give the offeree a delay within which to accept, without specifying a time, the offer is irrevocable for a reasonable time. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1929. An irrevocable offer expires if not accepted within the time prescribed in the preceding Article. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1930. An offer not irrevocable under Civil Code Article 1928 may be revoked before it is accepted. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1931. A revocable offer expires if not accepted within a reasonable time. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1932. An offer expires by the death or incapacity of the offeror or the offeree before it has been accepted. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1933. An option is a contract whereby the parties agree that the offeror is bound by his offer for a specified period of time and that the offeree may accept within that time. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1934. An acceptance of an irrevocable offer is effective when received by the offeror. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1935. Unless otherwise specified by the offer or the law, an acceptance of a revocable offer, made in a manner and by a medium suggested by the offer or in a reasonable manner and by a reasonable medium, is effective when transmitted by the offeree. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1936. A medium or a manner of acceptance is reasonable if it is the one used in making the offer or one customary in similar transactions at the time and place the offer is received, unless circumstances known to the offeree indicate otherwise. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1937. A revocation of a revocable offer is effective when received by the offeree prior to acceptance. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1938. A written revocation, rejection, or acceptance is received when it comes into the possession of the addressee or of a person authorized by him to receive it, or when it is deposited in a place the addressee has indicated as the place for this or similar communications to be deposited for him. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1939. When an offeror invites an offeree to accept by performance and, according to usage or the nature or the terms of the contract, it is contemplated that the performance will be completed if commenced, a contract is formed when the offeree begins the requested performance. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1940. When, according to usage or the nature of the contract, or its own terms, an offer made to a particular

offeree can be accepted only by rendering a completed performance, the offeror cannot revoke the offer, once the offeree has begun to perform, for the reasonable time necessary to complete the performance. The offeree, however, is not bound to complete the performance he has begun.

The offeror's duty of performance is conditional on completion or tender of the requested performance. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1941. When commencement of the performance either constitutes acceptance or makes the offer irrevocable, the offeree must give prompt notice of that commencement unless the offeror knows or should know that the offeree has begun to perform. An offeree who fails to give the notice is liable for damages. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1942. When, because of special circumstances, the offeree's silence leads the offeror reasonably to believe that a contract has been formed, the offer is deemed accepted. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1943. An acceptance not in accordance with the terms of the offer is deemed to be a counteroffer. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1944. An offer of a reward made to the public is binding upon the offeror even if the one who performs the requested act does not know of the offer. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1945. An offer of reward made to the public may be revoked before completion of the requested act, provided the revocation is made by the same or an equally effective means as the offer. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1946. Unless otherwise stipulated in the offer made to the public, or otherwise implied from the nature of the act, when several persons have performed the requested act, the reward belongs to the first one giving notice of his completion of performance to the offeror. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1947. When, in the absence of a legal requirement, the parties have contemplated a certain form, it is presumed that they do not intend to be bound until the contract is executed in that form. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 4 - VICES OF CONSENT

SECTION 1 - ERROR

Art. 1948. Consent may be vitiated by error, fraud, or duress. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1949. Error vitiates consent only when it concerns a cause without which the obligation would not have been incurred and that cause was known or should have been known to the other party. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1950. Error may concern a cause when it bears on the nature of the contract, or the thing that is the contractual object or a substantial quality of that thing, or the person or the qualities of the other party, or the law, or any other circumstance that the parties regarded, or should in good faith have regarded, as a cause of the obligation. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1951. A party may not avail himself of his error if the other party is willing to perform the contract as intended by the party in error. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1952. A party who obtains rescission on grounds of his own error is liable for the loss thereby sustained by the other party unless the latter knew or should have known of the error.

The court may refuse rescission when the effective protection of the other party's interest requires that the contract be upheld. In that case, a reasonable compensation for the loss he has sustained may be granted to the party to whom rescission is refused. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 2 - FRAUD

Art. 1953. Fraud is a misrepresentation or a suppression of the truth made with the intention either to obtain an unjust advantage for one party or to cause a loss or inconvenience to the other. Fraud may also result from silence or inaction. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1954. Fraud does not vitiate consent when the party against whom the fraud was directed could have ascertained the truth without difficulty, inconvenience, or special skill.

This exception does not apply when a relation of confidence has reasonably induced a party to rely on the other's assertions or representations. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1955. Error induced by fraud need not concern the cause of the obligation to vitiate consent, but it must concern a circumstance that has substantially influenced that consent. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1956. Fraud committed by a third person vitiates the consent of a contracting party if the other party knew or should have known of the fraud. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1957. Fraud need only be proved by a preponderance of the evidence and may be established by circumstantial evidence. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1958. The party against whom rescission is granted because of fraud is liable for damages and attorney fees. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 3 - DURESS

Art. 1959. Consent is vitiated when it has been obtained by duress of such a nature as to cause a reasonable fear of unjust and considerable injury to a party's person, property, or reputation.

Age, health, disposition, and other personal circumstances of a party must be taken into account in determining reasonableness of the fear. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1960. Duress vitiates consent also when the threatened injury is directed against the spouse, an ascendant, or descendant of the contracting party.

If the threatened injury is directed against other persons, the granting of relief is left to the discretion of the court. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1961. Consent is vitiated even when duress has been exerted by a third person. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1962. A threat of doing a lawful act or a threat of exercising a right does not constitute duress.

A threat of doing an act that is lawful in appearance only may constitute duress. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1963. A contract made with a third person to secure the means of preventing threatened injury may not be rescinded for duress if that person is in good faith and not in collusion with the party exerting duress. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1964. When rescission is granted because of duress exerted or known by a party to the contract, the other party may recover damages and attorney fees.

When rescission is granted because of duress exerted by a third person, the parties to the contract who are innocent of the duress may recover damages and attorney fees from the third person. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 4 - LESION

Art. 1965. A contract may be annulled on grounds of lesion only in those cases provided by law. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 5 - CAUSE

Art. 1966. An obligation cannot exist without a lawful cause. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1967. Cause is the reason why a party obligates himself.

A party may be obligated by a promise when he knew or should have known that the promise would induce the other party to rely on it to his detriment and the other party was reasonable in so relying. Recovery may be limited to the expenses incurred or the damages suffered as a result of the promisee's reliance on the promise. Reliance on a gratuitous promise made without required formalities is not reasonable. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1968. The cause of an obligation is unlawful when the enforcement of the obligation would produce a result prohibited by law or against public policy. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1969. An obligation may be valid even though its cause is not expressed. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1970. When the expression of a cause in a contractual obligation is untrue, the obligation is still effective if a valid cause can be shown. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 6 - OBJECT AND MATTER OF CONTRACTS

Art. 1971. Parties are free to contract for any object that is lawful, possible, and determined or determinable. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1972. A contractual object is possible or impossible according to its own nature and not according to the parties' ability to perform. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1973. The object of a contract must be determined at least as to its kind.

The quantity of a contractual object may be undetermined, provided it is determinable. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1974. If the determination of the quantity of the object has been left to the discretion of a third person, the quantity of an object is determinable.

If the parties fail to name a person, or if the person named is unable or unwilling to make the determination, the quantity may be determined by the court. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1975. The quantity of a contractual object may be determined by the output of one party or the requirements of the other.

In such a case, output or requirements must be measured in good faith. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1976. Future things may be the object of a contract.

The succession of a living person may not be the object of a contract other than an antenuptial agreement. Such a succession may not be renounced. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1977. The object of a contract may be that a third person will incur an obligation or render a performance.

The party who promised that obligation or performance is liable for damages if the third person does not bind himself or does not perform. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 7 - THIRD PARTY BENEFICIARY

Art. 1978. A contracting party may stipulate a benefit for a third person called a third party beneficiary.

Once the third party has manifested his intention to avail himself of the benefit, the parties may not dissolve the contract by mutual consent without the beneficiary's agreement. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1979. The stipulation may be revoked only by the stipulator and only before the third party has manifested his intention of availing himself of the benefit.

If the promisor has an interest in performing, however, the stipulation may not be revoked without his consent. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1980. In case of revocation or refusal of the stipulation, the promisor shall render performance to the stipulator. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1981. The stipulation gives the third party beneficiary the right to demand performance from the promisor.

Also the stipulator, for the benefit of the third party, may demand performance from the promisor. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1982. The promisor may raise against the beneficiary such defenses based on the contract as he may have raised against the stipulator. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 8 - EFFECTS OF CONVENTIONAL OBLIGATIONS

SECTION 1 - GENERAL EFFECTS OF CONTRACTS

Art. 1983. Contracts have the effect of law for the parties and may be dissolved only through the consent of the parties or on grounds provided by law. Contracts must be performed in good faith. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1984. Rights and obligations arising from a contract are heritable and assignable unless the law, the terms of the contract or its nature preclude such effects. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1985. Contracts may produce effects for third parties only when provided by law. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 2 - SPECIFIC PERFORMANCE

Art. 1986. Upon an obligor's failure to perform an obligation to deliver a thing, or not to do an act, or to execute an instrument, the court shall grant specific performance plus damages for delay if the obligee so demands. If specific performance is impracticable, the court may allow damages to the obligee.

Upon a failure to perform an obligation that has another object, such as an obligation to do, the granting of specific performance is at the discretion of the court. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1987. The obligor may be restrained from doing anything in violation of an obligation not to do. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1988. A failure to perform an obligation to execute an instrument gives the obligee the right to a judgment that shall stand for the act. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 3 - PUTTING IN DEFAULT

Art. 1989. Damages for delay in the performance of an obligation are owed from the time the obligor is put in default.

Other damages are owed from the time the obligor has failed to perform. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1990. When a term for the performance of an obligation is either fixed, or is clearly determinable by the circumstances, the obligor is put in default by the mere arrival of that term. In other cases, the obligor must be put in default by the obligee, but not before performance is due. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1991. An obligee may put the obligor in default by a written request of performance, or by an oral request of performance made before two witnesses, or by filing suit for performance, or by a specific provision of the contract. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1992. If an obligee bears the risk of the thing that is the object of the performance, the risk devolves upon the obligor who has been put in default for failure to deliver that thing. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1993. In case of reciprocal obligations, the obligor of one may not be put in default unless the obligor of the other has performed or is ready to perform his own obligation. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 4 - DAMAGES

Art. 1994. An obligor is liable for the damages caused by his failure to perform a conventional obligation.

A failure to perform results from nonperformance, defective performance, or delay in performance. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1995. Damages are measured by the loss sustained by the obligee and the profit of which he has been deprived. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1996. An obligor in good faith is liable only for the damages that were foreseeable at the time the contract was made. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1997. An obligor in bad faith is liable for all the damages, foreseeable or not, that are a direct consequence of his failure to perform. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1998. Damages for nonpecuniary loss may be recovered when the contract, because of its nature, is intended to gratify a nonpecuniary interest and, because of the circumstances surrounding the formation or the nonperformance of the contract, the obligor knew, or should have known, that his failure to perform would cause that kind of loss.

Regardless of the nature of the contract, these damages may be recovered also when the obligor intended, through his failure, to aggrieve the feelings of the obligee. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 1999. When damages are insusceptible of precise measurement, much discretion shall be left to the court for the reasonable assessment of these damages. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2000. When the object of the performance is a sum of money, damages for delay in performance are measured by the interest on that sum from the time it is due, at the rate agreed by the parties or, in the absence of agreement, at the rate of legal interest as fixed by R.S. 9:3500. The obligee may recover these damages without having to prove any loss, and whatever loss he may have suffered he can recover no more. If the parties, by written contract, have expressly agreed that the obligor shall also be liable for the obligee's attorney fees in a fixed or determinable amount, the obligee is entitled to that amount as well. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985; Acts 1985, No. 137, §1, eff. July 3, 1985; Acts 1987, No. 883, §1; Acts 2004, No. 743, §3, eff. Jan. 1, 2005.] NOTE: SEE ACTS 1985, NO. 137, §2.

Art. 2001. Interest on accrued interest may be recovered as damages only when it is added to the principal by a new agreement of the parties made after the interest has accrued. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2002. An obligee must make reasonable efforts to mitigate the damage caused by the obligor's failure to perform. When an obligee fails to make these efforts, the obligor may demand that the damages be accordingly reduced. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2003. An obligee may not recover damages when his own bad faith has caused the obligor's failure to perform or when, at the time of the contract, he has concealed from the obligor facts that he knew or should have known would cause a failure.

If the obligee's negligence contributes to the obligor's failure to perform, the damages are reduced in proportion to that negligence. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2004. Any clause is null that, in advance, excludes or limits the liability of one party for intentional or gross fault that causes damage to the other party.

Any clause is null that, in advance, excludes or limits the liability of one party for causing physical injury to the other party. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 5 - STIPULATED DAMAGES

Art. 2005. Parties may stipulate the damages to be recovered in case of nonperformance, defective performance, or delay in performance of an obligation.

That stipulation gives rise to a secondary obligation for the purpose of enforcing the principal one. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2006. Nullity of the principal obligation renders the stipulated damages clause null.

Nullity of the stipulated damages clause does not render the principal obligation null. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2007. An obligee may demand either the stipulated damages or performance of the principal obligation, but he may not demand both unless the damages have been stipulated for mere delay. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2008. An obligor whose failure to perform the principal obligation is justified by a valid excuse is also relieved of liability for stipulated damages. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2009. An obligee who avails himself of a stipulated damages clause need not prove the actual damage caused by the obligor's nonperformance, defective performance, or delay in performance. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2010. An obligee may not avail himself of a clause stipulating damages for delay unless the obligor has been put in default. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2011. Stipulated damages for nonperformance may be reduced in proportion to the benefit derived by the obligee from any partial performance rendered by the obligor. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2012. Stipulated damages may not be modified by the court unless they are so manifestly unreasonable as to be contrary to public policy. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 9 - DISSOLUTION

Art. 2013. When the obligor fails to perform, the obligee has a right to the judicial dissolution of the contract or, according to the circumstances, to regard the contract as dissolved. In either case, the obligee may recover damages.

In an action involving judicial dissolution, the obligor who failed to perform may be granted, according to the circumstances, an additional time to perform. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2014. A contract may not be dissolved when the obligor has rendered a substantial part of the performance and the part not rendered does not substantially impair the interest of the obligee. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2015. Upon a party's failure to perform, the other may serve him a notice to perform within a certain time, with a warning that, unless performance is rendered within that time, the contract shall be deemed dissolved. The time allowed for that purpose must be reasonable according to the circumstances.

The notice to perform is subject to the requirements governing a putting of the obligor in default and, for the recovery of damages for delay, shall have the same effect as a putting of the obligor in default. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2016. When a delayed performance would no longer be of value to the obligee or when it is evident that the obligor will not perform, the obligee may regard the contract as dissolved without any notice to the obligor. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2017. The parties may expressly agree that the contract shall be dissolved for the failure to perform a particular obligation. In that case, the contract is deemed dissolved at the time it provides for or, in the absence of such a provision, at the time the obligee gives notice to the obligor that he avails himself of the dissolution clause. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2018. Upon dissolution of a contract, the parties shall be restored to the situation that existed before the contract was made. If restoration in kind is impossible or impracticable, the court may award damages.

If partial performance has been rendered and that performance is of value to the party seeking to dissolve the contract, the dissolution does not preclude recovery for that performance, whether in contract or quasi-contract. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2019. In contracts providing for continuous or periodic performance, the effect of the dissolution shall not be extended to any performance already rendered. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2020. When a contract has been made by more than two parties, one party's failure to perform may not cause dissolution of the contract for the other parties, unless the performance that failed was essential to the contract. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2021. Dissolution of a contract does not impair the rights acquired through an onerous contract by a third party in good faith.

If the contract involves immovable property, the principles of recordation apply to a third person acquiring an interest in the property whether by onerous or gratuitous title. [Acts 1984, No. 331, §1, eff. July 1, 1985; Acts 2005, No. 169, §2, eff. Jan. 1, 2006; Acts 2005, 1st Ex. Sess., No. 13, §1, eff. Nov. 29, 2005]

Art. 2022. Either party to a commutative contract may refuse to perform his obligation if the other has failed to perform or does not offer to perform his own at the same time, if the performances are due simultaneously. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2023. If the situation of a party, financial or otherwise, has become such as to clearly endanger his ability to perform an obligation, the other party may demand in writing that adequate security be given and, upon failure to give that security, that party may withhold or discontinue his own performance. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2024. A contract of unspecified duration may be terminated at the will of either party by giving notice, reasonable in time and form, to the other party. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 10 - SIMULATION

Art. 2025. A contract is a simulation when, by mutual agreement, it does not express the true intent of the parties.

If the true intent of the parties is expressed in a separate writing, that writing is a counterletter. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2026. A simulation is absolute when the parties intend that their contract shall produce no effects between them. That simulation, therefore, can have no effects between the parties. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2027. A simulation is relative when the parties intend that their contract shall produce effects between them though different from those recited in their contract. A relative simulation produces between the parties the effects they intended if all requirements for those effects have been met. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2028. A. Any simulation, either absolute or relative, may have effects as to third persons.

B. Counterletters can have no effects against third persons in good faith. Nevertheless, if the counterletter involves immovable property, the principles of recordation apply with respect to third persons. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985; Acts 2012, No. 277, §1, eff. Aug. 1, 2012]

CHAPTER 11 - NULLITY

Art. 2029. A contract is null when the requirements for its formation have not been met. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2030. A contract is absolutely null when it violates a rule of public order, as when the object of a contract is illicit or immoral. A contract that is absolutely null may not be confirmed.

Absolute nullity may be invoked by any person or may be declared by the court on its own initiative. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2031. A contract is relatively null when it violates a rule intended for the protection of private parties, as when a party lacked capacity or did not give free consent at the time the contract was made. A contract that is only relatively null may be confirmed.

Relative nullity may be invoked only by those persons for whose interest the ground for nullity was established, and may not be declared by the court on its own initiative. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2032. Action for annulment of an absolutely null contract does not prescribe.

Action of annulment of a relatively null contract must be brought within five years from the time the ground for nullity either ceased, as in the case of incapacity or duress, or was discovered, as in the case of error or fraud.

Nullity may be raised at any time as a defense against an action on the contract, even after the action for annulment has prescribed. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2033. An absolutely null contract, or a relatively null contract that has been declared null by the court, is deemed never to have existed. The parties must be restored to the situation that existed before the contract was made. If it is impossible or impracticable to make restoration in kind, it may be made through an award of damages.

Nevertheless, a performance rendered under a contract that is absolutely null because its object or its cause is illicit or immoral may not be recovered by a party who knew or should have known of the defect that makes the contract null. The performance may be recovered, however, when that party invokes the nullity to withdraw from the contract before its purpose is achieved and also in exceptional situations when, in the discretion of the court, that recovery would further the interest of justice.

Absolute nullity may be raised as a defense even by a party who, at the time the contract was made, knew or should have known of the defect that makes the contract null. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2034. Nullity of a provision does not render the whole contract null unless, from the nature of the provision or the intention of the parties, it can be presumed that the contract would not have been made without the null provision. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2035. Nullity of a contract does not impair the rights acquired through an onerous contract by a third party in

good faith.

If the contract involves immovable property, the principles of recordation apply to a third person acquiring an interest in the property whether by onerous or gratuitous title. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985; Acts 2005, No. 169, §2, eff. July 1, 2006; Acts 2005, 1st Ex. Sess., No. 13, §1, eff. Nov. 29, 2005]

CHAPTER 12 - REVOCATORY ACTION AND OBLIQUE ACTION

SECTION 1 - REVOCATORY ACTION

Art. 2036. An obligee has a right to annul an act of the obligor, or the result of a failure to act of the obligor, made or effected after the right of the obligee arose, that causes or increases the obligor's insolvency. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985; Acts 2003, No. 552, §1; Acts 2004, No. 447, §1]

Art. 2037. An obligor is insolvent when the total of his liabilities exceeds the total of his fairly appraised assets. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985; Acts 2003, No. 552, §1; Acts 2004, No. 447, §1]

Art. 2038. An obligee may annul an onerous contract made by the obligor with a person who knew or should have known that the contract would cause or increase the obligor's insolvency. In that case, the person is entitled to recover what he gave in return only to the extent that it has inured to the benefit of the obligor's creditors.

An obligee may annul an onerous contract made by the obligor with a person who did not know that the contract would cause or increase the obligor's insolvency, but in that case that person is entitled to recover as much as he gave to the obligor. That lack of knowledge is presumed when that person has given at least four-fifths of the value of the thing obtained in return from the obligor. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2039. An obligee may attack a gratuitous contract made by the obligor whether or not the other party knew that the contract would cause or increase the obligor's insolvency. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2040. An obligee may not annul a contract made by the obligor in the regular course of his business. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2041. The action of the obligee must be brought within one year from the time he learned or should have learned of the act, or the result of the failure to act, of the obligor that the obligee seeks to annul, but never after three years from the date of that act or result. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

The three year period provided in this Article shall not apply in cases of fraud. [Acts 2013, No. 88, §1, eff. Aug. 1, 2013]

Art. 2042. In an action to annul either his obligor's act, or the result of his obligor's failure to act, the obligee must join the obligor and the third persons involved in that act or failure to act.

A third person joined in the action may plead discussion of the obligor's assets. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2043. If an obligee establishes his right to annul his obligor's act, or the result of his obligor's failure to act, that act or result shall be annulled only to the extent that it affects the obligee's right. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

SECTION 2 - OBLIQUE ACTION

Art. 2044. If an obligor causes or increases his insolvency by failing to exercise a right, the obligee may exercise it himself, unless the right is strictly personal to the obligor.

For that purpose, the obligee must join in the suit his obligor and the third person against whom that right is asserted. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

CHAPTER 13 - INTERPRETATION OF CONTRACTS

Art. 2045. Interpretation of a contract is the determination of the common intent of the parties. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2046. When the words of a contract are clear and explicit and lead to no absurd consequences, no further interpretation may be made in search of the parties' intent. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2047. The words of a contract must be given their generally prevailing meaning.

Words of art and technical terms must be given their technical meaning when the contract involves a technical matter. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2048. Words susceptible of different meanings must be interpreted as having the meaning that best conforms to the object of the contract. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2049. A provision susceptible of different meanings must be interpreted with a meaning that renders it effective and not with one that renders it ineffective. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2050. Each provision in a contract must be interpreted in light of the other provisions so that each is given the meaning suggested by the contract as a whole. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2051. Although a contract is worded in general terms, it must be interpreted to cover only those things it appears the parties intended to include. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2052. When the parties intend a contract of general scope but, to eliminate doubt, include a provision that describes a specific situation, interpretation must not restrict the scope of the contract to that situation alone. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2053. A doubtful provision must be interpreted in light of the nature of the contract, equity, usages, the conduct of the parties before and after the formation of the contract, and of other contracts of a like nature between the same parties. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2054. When the parties made no provision for a particular situation, it must be assumed that they intended to bind themselves not only to the express provisions of the contract, but also to whatever the law, equity, or usage regards as implied in a contract of that kind or necessary for the contract to achieve its purpose. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2055. Equity, as intended in the preceding articles, is based on the principles that no one is allowed to take unfair advantage of another and that no one is allowed to enrich himself unjustly at the expense of another.

Usage, as intended in the preceding articles, is a practice regularly observed in affairs of a nature identical or similar to the object of a contract subject to interpretation. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2056. In case of doubt that cannot be otherwise resolved, a provision in a contract must be interpreted against the party who furnished its text.

A contract executed in a standard form of one party must be interpreted, in case of doubt, in favor of the other party. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

Art. 2057. In case of doubt that cannot be otherwise resolved, a contract must be interpreted against the obligee and in favor of the obligor of a particular obligation.

Yet, if the doubt arises from lack of a necessary explanation that one party should have given, or from negligence or fault of one party, the contract must be interpreted in a manner favorable to the other party whether obligee or obligor. [Acts 1984, No. 331, §1, eff. Jan. 1, 1985]

TITLE V - OBLIGATIONS ARISING WITHOUT AGREEMENT

CHAPTER 1 - MANAGEMENT OF AFFAIRS (NEGOTIORUM GESTIO)

Art. 2292. There is a management of affairs when a person, the manager, acts without authority to protect the interests of another, the owner, in the reasonable belief that the owner would approve of the action if made aware of the circumstances. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2293. A management of affairs is subject to the rules of mandate to the extent those rules are compatible with management of affairs. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2294. The manager is bound, when the circumstances so warrant, to give notice to the owner that he has undertaken the management and to wait for the directions of the owner, unless there is immediate danger. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2295. The manager must exercise the care of a prudent administrator and is answerable for any loss that results from his failure to do so. The court, considering the circumstances, may reduce the amount due the owner on account of the manager's failure to act as a prudent administrator. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2296. An incompetent person or a person of limited legal capacity may be the owner of an affair, but he may not be a manager. When such a person manages the affairs of another, the rights and duties of the parties are governed by the law of enrichment without cause or the law of delictual obligations. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2297. The owner whose affair has been managed is bound to fulfill the obligations that the manager has undertaken as a prudent administrator and to reimburse the manager for all necessary and useful expenses. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

CHAPTER 2 - ENRICHMENT WITHOUT CAUSE

SECTION 1 - GENERAL PRINCIPLES

Art. 2298. A person who has been enriched without cause at the expense of another person is bound to compensate that person. The term "without cause" is used in this context to exclude cases in which the enrichment results from a valid juridical act or the law. The remedy declared here is subsidiary and shall not be available if the law provides another remedy for the impoverishment or declares a contrary rule.

The amount of compensation due is measured by the extent to which one has been enriched or the other has been impoverished, whichever is less.

The extent of the enrichment or impoverishment is measured as of the time the suit is brought or, according to the circumstances, as of the time the judgment is rendered. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

SECTION 2 - PAYMENT OF A THING NOT OWED

Art. 2299. A person who has received a payment or a thing not owed to him is bound to restore it to the person from whom he received it. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2300. A thing is not owed when it is paid or delivered for the discharge of an obligation that does not exist. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2301. A thing is not owed when it is paid or delivered for discharge of an obligation that is subject to a suspensive condition. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2302. A person who paid the debt of another person in the erroneous belief that he was himself the obligor may reclaim the payment from the obligee. The payment may not be reclaimed to the extent that the obligee, because of the payment, disposed of the instrument or released the securities relating to the claim. In such a case, the person who made the payment has a recourse against the true obligor. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2303. A person who in bad faith received a payment or a thing not owed to him is bound to restore it with its fruits and products. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2304. When the thing not owed is an immovable or a corporeal movable, the person who received it is bound to restore the thing itself, if it exists.

If the thing has been destroyed, damaged, or cannot be returned, a person who received the thing in good faith is bound to restore its value if the loss was caused by his fault. A person who received the thing in bad faith is bound to restore its value even if the loss was not caused by his fault. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Art. 2305. A person who in good faith alienated a thing not owed to him is only bound to restore whatever he obtained from the alienation. If he received the thing in bad faith, he owes, in addition, damages to the person to whom restoration is due. [Acts 1995, No. 1041, §1, eff. Jan. 1, 1996]

Arts. 2306-2313. [Repealed. Acts 1995, No. 1041, eff. Jan. 1, 1996]

Art. 2314. [Repealed. Acts 1979, No. 180, §3]

CHAPTER 3 - OF OFFENSES AND QUASI OFFENSES

Art. 2315. A. Every act whatever of man that causes damage to another obliges him by whose fault it happened to repair it.

B. Damages may include loss of consortium, service, and society, and shall be recoverable by the same respective categories of persons who would have had a cause of action for wrongful death of an injured person. Damages do not include costs for future medical treatment, services, surveillance, or procedures of any kind unless such treatment, services, surveillance, or procedures are directly related to a manifest physical or mental injury or disease. Damages shall include any sales taxes paid by the owner on the repair or replacement of the property damaged. [Amended by Acts 1884, No. 71; Acts 1908, No. 120, §1; Acts 1918, No. 159, §1; Acts 1932, No. 159, §1; Acts 1948, No. 333, §1; Acts 1960, No. 30, §1; Acts 1982, No. 202, §1; Acts 1984, No. 397, §1; Acts 1986, No. 211, §1; Acts 1999, No. 989, §1, eff. July 9, 1999; Acts 2001, No. 478, §1]

Art. 2315.1. A. If a person who has been injured by an offense or quasi offense dies, the right to recover all damages for injury to that person, his property or otherwise, caused by the offense or quasi offense, shall survive for a period of one year from the death of the deceased in favor of:

- (1) The surviving spouse and child or children of the deceased, or either the spouse or the child or children.
- (2) The surviving father and mother of the deceased, or either of them if he left no spouse or child surviving.
- (3) The surviving brothers and sisters of the deceased, or any of them, if he left no spouse, child, or parent surviving.
- (4) The surviving grandfathers and grandmothers of the deceased, or any of them, if he left no spouse, child, parent, or sibling surviving.

B. In addition, the right to recover all damages for injury to the deceased, his property or otherwise, caused by the offense or quasi offense, may be urged by the deceased's succession representative in the absence of any class of beneficiary set out in Paragraph A.

C. The right of action granted under this Article is heritable, but the inheritance of it neither interrupts nor prolongs the prescriptive period defined in this Article.

D. As used in this Article, the words "child", "brother", "sister", "father", "mother", "grandfather", and "grandmother" include a child, brother, sister, father, mother, grandfather, and grandmother by adoption, respectively.

E. For purposes of this Article, a father or mother who has abandoned the deceased during his minority is deemed not to have survived him. [Acts 1986, No. 211, §2; Acts 1987, No. 675, §1; Acts 1997, No. 1317, §1, eff. July 15, 1997]

Art. 2315.2. A. If a person dies due to the fault of another, suit may be brought by the following persons to recover damages which they sustained as a result of the death:

- (1) The surviving spouse and child or children of the deceased, or either the spouse or the child or children.
- (2) The surviving father and mother of the deceased, or either of them if he left no spouse or child surviving.
- (3) The surviving brothers and sisters of the deceased, or any of them, if he left no spouse, child, or parent surviving.
- (4) The surviving grandfathers and grandmothers of the deceased, or any of them, if he left no spouse, child, parent, or sibling surviving.

B. The right of action granted by this Article prescribes one year from the death of the deceased.

C. The right of action granted under this Article is heritable, but the inheritance of it neither interrupts nor prolongs the prescriptive period defined in this Article.

D. As used in this Article, the words "child", "brother", "sister", "father", "mother", "grandfather", and "grandmother" include a child, brother, sister, father, mother, grandfather, and grandmother by adoption, respectively.

E. For purposes of this Article, a father or mother who has abandoned the deceased during his minority is deemed not to have survived him. [Acts 1986, No. 211, §2; Acts 1997, No. 1317, §1, eff. July 15, 1997]

Art. 2315.3. In addition to general and special damages, exemplary damages may be awarded upon proof that the injuries on which the action is based were caused by a wanton and reckless disregard for the rights and safety of the person through an act of pornography involving juveniles, as defined by R.S. 14:81.1, regardless of whether the defendant was prosecuted for his acts. [Acts 2009, No. 382, §1]

Art. 2315.4. In addition to general and special damages, exemplary damages may be awarded upon proof that the injuries on which the action is based were caused by a wanton or reckless disregard for the rights and safety of others by a defendant whose intoxication while operating a motor vehicle was a cause in fact of the resulting injuries. [Acts 1984, No. 511, §1]

Art. 2315.5. Notwithstanding any other provision of law to the contrary, the surviving spouse, parent, or child of a deceased, who has been convicted of a crime involving the intentional killing or attempted killing of the deceased, or, if not convicted, who has been judicially determined to have participated in the intentional, unjustified killing or attempted killing of the deceased, shall not be entitled to any damages or proceeds in a survival action or an action for wrongful death of the deceased, or to any proceeds distributed in settlement of any such cause of action. In such case, the other child or children of the deceased, or if the deceased left no other child surviving, the other survivors enumerated in the applicable provisions of Articles 2315.1(A) and 2315.2(A), in order of preference stated, may bring a survival action against such surviving spouse, parent, or child, or an action against such surviving spouse, parent, or child for the wrongful death of the deceased.

An executive pardon shall not restore the surviving spouse's, parent's, or child's right to any damages or proceeds in a survival action or an action for wrongful death of the deceased. [Acts 1987, No. 690, §1; Acts 1991, No. 180, §1]

Art. 2315.6. A. The following persons who view an event causing injury to another person, or who come upon the scene of the event soon thereafter, may recover damages for mental anguish or emotional distress that they suffer as

a result of the other person's injury:

- (1) The spouse, child or children, and grandchild or grandchildren of the injured person, or either the spouse, the child or children, or the grandchild or grandchildren of the injured person.
- (2) The father and mother of the injured person, or either of them.
- (3) The brothers and sisters of the injured person or any of them.
- (4) The grandfather and grandmother of the injured person, or either of them.

B. To recover for mental anguish or emotional distress under this Article, the injured person must suffer such harm that one can reasonably expect a person in the claimant's position to suffer serious mental anguish or emotional distress from the experience, and the claimant's mental anguish or emotional distress must be severe, debilitating, and foreseeable.

Damages suffered as a result of mental anguish or emotional distress for injury to another shall be recovered only in accordance with this Article. [Acts 1991, No. 782, §1]

Art. 2315.7. In addition to general and special damages, exemplary damages may be awarded upon proof that the injuries on which the action is based were caused by a wanton and reckless disregard for the rights and safety of the person through criminal sexual activity which occurred when the victim was seventeen years old or younger, regardless of whether the defendant was prosecuted for his or her acts. The provisions of this Article shall be applicable only to the perpetrator of the criminal sexual activity. [Acts 1993, No. 831, §1, eff. June 22, 1993]

Art. 2315.8. A. In addition to general and special damages, exemplary damages may be awarded upon proof that the injuries on which the action is based were caused by a wanton and reckless disregard for the rights and safety of a family or household member, as defined in R.S. 46:2132, through acts of domestic abuse resulting in serious bodily injury or severe emotional and mental distress, regardless of whether the defendant was prosecuted for his or her acts.

B. Upon motion of the defendant or upon its own motion, if the court determines that any action alleging domestic abuse is frivolous or fraudulent, the court shall award costs of court, reasonable attorney fees, and any other related costs to the defendant and any other sanctions and relief requested pursuant to Code of Civil Procedure Article 863. [Acts 2014, No. 315, §1, eff. Aug. 1, 2014]

Art. 2315.9. A. In addition to general and special damages, a prevailing plaintiff shall also be awarded court costs and reasonable attorney fees in the appropriate district or appellate court upon proof that the injuries on which the action is based were caused by an act of terror or terrorism resulting in injury to the person or damage to the person's property, regardless of whether the defendant was prosecuted for his acts.

B. The rights and remedies provided by this Article are in addition to any other rights and remedies provided by law.

C. As used in this Article, the terms shall be defined as follows:

(1) "Act of terror" or "terrorism" means the commission of any of the acts occurring primarily in this state and as enumerated in this Subparagraph, when the offender has the intent to intimidate or coerce the civilian population, influence the policy of a unit of government by intimidation or coercion, or affect the conduct of a unit of government by intimidation or coercion:

- (a) Intentional killing of a human being.
- (b) Intentional infliction of serious bodily injury upon a human being.
- (c) Kidnapping of a human being.
- (d) Aggravated arson upon any structure, watercraft, or movable.

(e) Aggravated criminal damage to property.

(2) “Terrorist” means a person who knowingly does any of the following:

(a) Commits an act of terror.

(b) Acts as an accessory before or after the fact, aids or abets, solicits, or conspires to commit an act of terror.

(c) Lends material support to an act of terror.

D. Upon motion of the defendant or upon its own motion, if the court determines that any action alleging an act of terror is frivolous or fraudulent, the court shall award costs of court, reasonable attorney fees, and any other related costs to the defendant and any other sanctions and relief requested pursuant to Code of Civil Procedure Article 863.

E. An action under the provisions of this Article shall be subject to a liberative prescriptive period of two years.

[Acts 2015, No. 337, §1, eff. Aug. 1, 2015]

Art. 2316. Every person is responsible for the damage he occasions not merely by his act, but by his negligence, his imprudence, or his want of skill.

Art. 2317. We are responsible, not only for the damage occasioned by our own act, but for that which is caused by the act of persons for whom we are answerable, or of the things which we have in our custody. This, however, is to be understood with the following modifications.

Art. 2317.1. The owner or custodian of a thing is answerable for damage occasioned by its ruin, vice, or defect, only upon a showing that he knew or, in the exercise of reasonable care, should have known of the ruin, vice, or defect which caused the damage, that the damage could have been prevented by the exercise of reasonable care, and that he failed to exercise such reasonable care. Nothing in this Article shall preclude the court from the application of the doctrine of *res ipsa loquitur* in an appropriate case. [Acts 1996, 1st Ex. Sess., No. 1, §1, eff. April 16, 1996]

Art. 2318. The father and the mother are responsible for the damage occasioned by their minor child, who resides with them or who has been placed by them under the care of other persons, reserving to them recourse against those persons. However, the father and mother are not responsible for the damage occasioned by their minor child who has been emancipated by marriage, by judgment of full emancipation, or by judgment of limited emancipation that expressly relieves the parents of liability for damages occasioned by their minor child.

The same responsibility attaches to the tutors of minors. [Acts 1984, No. 578, §1; Acts 2008, No. 786, §1, eff. Jan. 1, 2009]

Art. 2319. Neither a curator nor an undercurator is personally responsible to a third person for a delictual obligation of the interdict in his charge solely by reason of his office. [Acts 2000, 1st Ex. Sess., No. 25, §2, eff. July 1, 2001]

Art. 2320. Masters and employers are answerable for the damage occasioned by their servants and overseers, in the exercise of the functions in which they are employed.

Teachers and artisans are answerable for the damage caused by their scholars or apprentices, while under their superintendence.

In the above cases, responsibility only attaches, when the masters or employers, teachers and artisans, might have prevented the act which caused the damage, and have not done it.

The master is answerable for the offenses and quasi-offenses committed by his servants, according to the rules which are explained under the title: Of quasi-contracts, and of offenses and quasi-offenses.

Art. 2321. The owner of an animal is answerable for the damage caused by the animal. However, he is answerable for the damage only upon a showing that he knew or, in the exercise of reasonable care, should have known that his animal's behavior would cause damage, that the damage could have been prevented by the exercise of reasonable

care, and that he failed to exercise such reasonable care. Nonetheless, the owner of a dog is strictly liable for damages for injuries to persons or property caused by the dog and which the owner could have prevented and which did not result from the injured person's provocation of the dog. Nothing in this Article shall preclude the court from the application of the doctrine of *res ipsa loquitur* in an appropriate case. [Acts 1996, 1st Ex. Sess., No. 1, §1, eff. April 16, 1996]

Art. 2322. The owner of a building is answerable for the damage occasioned by its ruin, when this is caused by neglect to repair it, or when it is the result of a vice or defect in its original construction. However, he is answerable for damages only upon a showing that he knew or, in the exercise of reasonable care, should have known of the vice or defect which caused the damage, that the damage could have been prevented by the exercise of reasonable care, and that he failed to exercise such reasonable care. Nothing in this Article shall preclude the court from the application of the doctrine of *res ipsa loquitur* in an appropriate case. [Acts 1996, 1st Ex. Sess., No. 1, §1, eff. April 16, 1996]

Art. 2322.1. A. The screening, procurement, processing, distribution, transfusion, or medical use of human blood and blood components of any kind and the transplantation or medical use of any human organ, human tissue, or approved animal tissue by physicians, dentists, hospitals, hospital blood banks, and nonprofit community blood banks is declared to be, for all purposes whatsoever, the rendition of a medical service by each and every physician, dentist, hospital, hospital blood bank, and nonprofit community blood bank participating therein, and shall not be construed to be and is declared not to be a sale. Strict liability and warranties of any kind without negligence shall not be applicable to the aforementioned who provide these medical services.

B. In any action based in whole or in part on the use of blood or tissue by a healthcare provider, to which the provisions of Paragraph A do not apply, the plaintiff shall have the burden of proving all elements of his claim, including a defect in the thing sold and causation of his injuries by the defect, by a preponderance of the evidence, unaided by any presumption.

C. The provisions of Paragraphs A and B are procedural and shall apply to all alleged causes of action or other act, omission, or neglect without regard to the date when the alleged cause of action or other act, omission, or neglect occurred.

D. As used in this Article:

(1) "Healthcare provider" includes all individuals and entities listed in R.S. 9:2797, this Article, R.S. 40:1299.39 and R.S. 40:1299.41 whether or not enrolled with the Patient's Compensation Fund.

(2) "The use of blood or tissue" means the screening, procurement, processing, distribution, transfusion, or any medical use of human blood, blood products, and blood components of any kind and the transplantation or medical use of any human organ, human or approved animal tissue, and tissue products or tissue components by any healthcare provider. [Added by Acts 1981, No. 611, §1; Acts 1990, No. 1091, §1; Acts 1999, No. 539, §2, eff. June 30, 1999]

Art. 2323. A. In any action for damages where a person suffers injury, death, or loss, the degree or percentage of fault of all persons causing or contributing to the injury, death, or loss shall be determined, regardless of whether the person is a party to the action or a nonparty, and regardless of the person's insolvency, ability to pay, immunity by statute, including but not limited to the provisions of R.S. 23:1032, or that the other person's identity is not known or reasonably ascertainable. If a person suffers injury, death, or loss as the result partly of his own negligence and partly as a result of the fault of another person or persons, the amount of damages recoverable shall be reduced in proportion to the degree or percentage of negligence attributable to the person suffering the injury, death, or loss.

B. The provisions of Paragraph A shall apply to any claim for recovery of damages for injury, death, or loss asserted under any law or legal doctrine or theory of liability, regardless of the basis of liability.

C. Notwithstanding the provisions of Paragraphs A and B, if a person suffers injury, death, or loss as a result partly of his own negligence and partly as a result of the fault of an intentional tortfeasor, his claim for recovery of damages shall not be reduced. [Amended by Acts 1979, No. 431, §1; Acts 1996, 1st Ex. Sess., No. 3, §1, eff. April 16, 1996]

Art. 2324. A. He who conspires with another person to commit an intentional or willful act is answerable, in solido, with that person, for the damage caused by such act.

B. If liability is not solidary pursuant to Paragraph A, then liability for damages caused by two or more persons shall be a joint and divisible obligation. A joint tortfeasor shall not be liable for more than his degree of fault and shall not be solidarily liable with any other person for damages attributable to the fault of such other person, including the person suffering injury, death, or loss, regardless of such other person's insolvency, ability to pay, degree of fault, immunity by statute or otherwise, including but not limited to immunity as provided in R.S. 23:1032, or that the other person's identity is not known or reasonably ascertainable.

C. Interruption of prescription against one joint tortfeasor is effective against all joint tortfeasors. [Amended by Acts 1979, No. 431, §1; Acts 1987, No. 373, §1; Acts 1988, No. 430, §1; Acts 1996, 1st Ex. Sess., No. 3, §1, eff. April 16, 1996]

Art. 2324.1. In the assessment of damages in cases of offenses, quasi offenses, and quasi contracts, much discretion must be left to the judge or jury. [Acts 1984, No. 331, §3, eff. Jan. 1, 1985]

Art. 2324.2. A. When the recovery of damages by a person suffering injury, death, or loss is reduced in some proportion by application of Article 2323 or 2324 and there is a legal or conventional subrogation, then the subrogee's recovery shall be reduced in the same proportion as the subrogor's recovery.

B. Nothing herein precludes such persons and legal or conventional subrogees from agreeing to a settlement which would incorporate a different method or proportion of subrogee recovery for amounts paid by the legal or conventional subrogee under the Louisiana Worker's Compensation Act, R.S. 23:1021, et seq. [Acts 1989, No. 771, §1, eff. July 9, 1989]

TITLE VI - MATRIMONIAL REGIMES

CHAPTER 1 - GENERAL PRINCIPLES

Art. 2325. A matrimonial regime is a system of principles and rules governing the ownership and management of the property of married persons as between themselves and toward third persons. [Acts 1979, No. 709, §1]

Art. 2326. A matrimonial regime may be legal, contractual, or partly legal and partly contractual. [Acts 1979, No. 709, §1]

Art. 2327. The legal regime is the community of acquets and gains established in Chapter 2 of this Title. [Acts 1979, No. 709, §1]

Art. 2328. A matrimonial agreement is a contract establishing a regime of separation of property or modifying or terminating the legal regime. Spouses are free to establish by matrimonial agreement a regime of separation of property or modify the legal regime as provided by law. The provisions of the legal regime that have not been excluded or modified by agreement retain their force and effect. [Acts 1979, No. 709, §1]

Art. 2329. Spouses may enter into a matrimonial agreement before or during marriage as to all matters that are not prohibited by public policy.

Spouses may enter into a matrimonial agreement that modifies or terminates a matrimonial regime during marriage only upon joint petition and a finding by the court that this serves their best interests and that they understand the governing principles and rules. They may, however, subject themselves to the legal regime by a matrimonial agreement at any time without court approval.

During the first year after moving into and acquiring a domicile in this state, spouses may enter into a matrimonial

agreement without court approval. [Acts 1979, No. 709, §1. Amended by Acts 1980, No. 565, §1]

Art. 2330. Spouses may not by agreement before or during marriage, renounce or alter the marital portion or the established order of succession. Nor may the spouses limit with respect to third persons the right that one spouse alone has under the legal regime to obligate the community or to alienate, encumber, or lease community property. [Acts 1979, No. 709, §1]

Art. 2331. A matrimonial agreement may be executed by the spouses before or during marriage. It shall be made by authentic act or by an act under private signature duly acknowledged by the spouses. [Acts 1979, No. 709, §1]

Art. 2332. A matrimonial agreement, or a judgment establishing a regime of separation of property is effective toward third persons as to immovable property, when filed for registry in the conveyance records of the parish in which the property is situated and as to movables when filed for registry in the parish or parishes in which the spouses are domiciled. [Acts 1979, No. 709, §1]

Art. 2333. Unless fully emancipated, a minor may not enter into a matrimonial agreement without the written concurrence of his father and mother, or of the parent having his legal custody, or of the tutor of his person. [Acts 1979, No. 709, §1]

CHAPTER 2 - THE LEGAL REGIME OF COMMUNITY OF ACQUETS AND GAINS

SECTION 1 - GENERAL DISPOSITIONS

Art. 2334. The legal regime of community of acquets and gains applies to spouses domiciled in this state, regardless of their domicile at the time of marriage or the place of celebration of the marriage. [Acts 1979, No. 709, §1]

Art. 2335. Property of married persons is either community or separate, except as provided in Article 2341.1. [Acts 1979, No. 709, §1; Acts 1991, No. 329, §1]

Art. 2336. Each spouse owns a present undivided one-half interest in the community property. Nevertheless, neither the community nor things of the community may be judicially partitioned prior to the termination of the regime.

During the existence of the community property regime, the spouses may, without court approval, voluntarily partition the community property in whole or in part. In such a case, the things that each spouse acquires are separate property. The partition is effective toward third persons when filed for registry in the manner provided by Article 2332. [Acts 1979, No. 709, §1. Amended by Acts 1981, No. 921, §1; Acts 1982, No. 282, §1]

Art. 2337. A spouse may not alienate, encumber, or lease to a third person his undivided interest in the community or in particular things of the community prior to the termination of the regime. [Acts 1979, No. 709, §1]

Art. 2338. The community property comprises: property acquired during the existence of the legal regime through the effort, skill, or industry of either spouse; property acquired with community things or with community and separate things, unless classified as separate property under Article 2341; property donated to the spouses jointly; natural and civil fruits of community property; damages awarded for loss or injury to a thing belonging to the community; and all other property not classified by law as separate property. [Acts 1979, No. 709, §1]

Art. 2339. The natural and civil fruits of the separate property of a spouse, minerals produced from or attributable to a separate asset, and bonuses, delay rentals, royalties, and shut-in payments arising from mineral leases are community property. Nevertheless, a spouse may reserve them as his separate property as provided in this Article.

A spouse may reserve them as his separate property by a declaration made in an authentic act or in an act under private signature duly acknowledged. A copy of the declaration shall be provided to the other spouse prior to filing of the declaration.

As to the fruits and revenues of immovables, the declaration is effective when a copy is provided to the other spouse and the declaration is filed for registry in the conveyance records of the parish in which the immovable property is located. As to fruits of movables, the declaration is effective when a copy is provided to the other spouse and the declaration is filed for registry in the conveyance records of the parish in which the declarant is domiciled. [Acts

1979, No. 709, §1; Amended by Acts 1980, No. 565, §2; Acts 2008, No. 855, §1]

Art. 2340. Things in the possession of a spouse during the existence of a regime of community of acquets and gains are presumed to be community, but either spouse may prove that they are separate property. [Acts 1979, No. 709, §1]

Art. 2341. The separate property of a spouse is his exclusively. It comprises: property acquired by a spouse prior to the establishment of a community property regime; property acquired by a spouse with separate things or with separate and community things when the value of the community things is inconsequential in comparison with the value of the separate things used; property acquired by a spouse by inheritance or donation to him individually; damages awarded to a spouse in an action for breach of contract against the other spouse or for the loss sustained as a result of fraud or bad faith in the management of community property by the other spouse; damages or other indemnity awarded to a spouse in connection with the management of his separate property; and things acquired by a spouse as a result of a voluntary partition of the community during the existence of a community property regime. [Acts 1979, No. 709, §1; Amended by Acts 1981, No. 921, §1]

Art. 2341.1. A. A spouse's undivided interest in property otherwise classified as separate property under Article 2341 remains his separate property regardless of the acquisition of other undivided interests in the property during the existence of the legal regime, the source of improvements thereto, or by whom the property was managed, used, or enjoyed.

B. In property in which an undivided interest is held as community property and an undivided interest is held as separate property, each spouse owns a present undivided one-half interest in that portion of the undivided interest which is community and a spouse owns a present undivided interest in that portion of the undivided interest which is separate. [Acts 1991, No. 329, §2]

Art. 2342. A. A declaration in an act of acquisition that things are acquired with separate funds as the separate property of a spouse may be controverted by the other spouse unless he concurred in the act. It may also be controverted by the forced heirs and the creditors of the spouses, despite the concurrence by the other spouse.

B. Nevertheless, when there has been such a declaration, an alienation, encumbrance, or lease of the thing by onerous title, during the community regime or thereafter, may not be set aside on the ground of the falsity of the declaration.

C. (1) The provision of this Article that prohibits setting aside an alienation, encumbrance, or lease on the ground of the falsity of the declaration of separate property is hereby made retroactive to any such alienation, encumbrance, or lease prior to July 21, 1982.

(2) A person who has a right to set aside such transactions on the ground of the falsity of the declaration, which right is not prescribed or otherwise extinguished or barred upon July 21, 1982, and who is adversely affected by the provisions of this Article, shall have six months from July 21, 1982 to initiate proceedings to set aside such transactions or otherwise be forever barred from exercising such right or cause of action. Nothing contained in this Article shall be construed to limit or prescribe any action or proceeding which may arise between spouses under the provisions of this Article. [Acts 1979, No. 709, §1. Amended by Acts 1980, No. 565, §3; Acts 1982, No. 453, §1; Acts 1995, No. 433, §1]

Art. 2343. The donation by a spouse to the other spouse of his undivided interest in a thing forming part of the community transforms that interest into separate property of the donee. Unless otherwise provided in the act of donation, an equal interest of the donee is also transformed into separate property and the natural and civil fruits of the thing, and minerals produced from or attributed to the property given as well as bonuses, delay rentals, royalties, and shut-in payments arising from mineral leases, form part of the donee's separate property. [Acts 1979, No. 709, §1; Amended by Acts 1981, No. 921, §1]

Art. 2343.1. The transfer by a spouse to the other spouse of a thing forming part of his separate property, with the stipulation that it shall be part of the community, transforms the thing into community property. As to both movables and immovables, a transfer by onerous title must be made in writing and a transfer by gratuitous title must be made by authentic act. [Added by Acts 1981, No. 921, §2]

Art. 2344. Damages due to personal injuries sustained during the existence of the community by a spouse are separate property.

Nevertheless, the portion of the damages attributable to expenses incurred by the community as a result of the injury, or in compensation of the loss of community earnings, is community property. If the community regime is terminated otherwise than by the death of the injured spouse, the portion of the damages attributable to the loss of earnings that would have accrued after termination of the community property regime is the separate property of the injured spouse. [Acts 1979, No. 709, §1]

SECTION 2 - MANAGEMENT OF COMMUNITY PROPERTY

Art. 2346. Each spouse acting alone may manage, control, or dispose of community property unless otherwise provided by law. [Acts 1979, No. 709, §1]

Art. 2347. A. The concurrence of both spouses is required for the alienation, encumbrance, or lease of community immovables, standing, cut, or fallen timber, furniture or furnishings while located in the family home, all or substantially all of the assets of a community enterprise, and movables issued or registered as provided by law in the names of the spouses jointly.

B. The concurrence of both spouses is required to harvest community timber. [Acts 1979, No. 709, §1; Acts 2001, No. 558, §1]

Art. 2348. A spouse may expressly renounce the right to concur in the alienation, encumbrance, or lease of a community immovable or some or all of the community immovables, or community immovables which may be acquired in the future, or all or substantially all of a community enterprise. He also may renounce the right to participate in the management of a community enterprise. The renunciation may be irrevocable for a stated term not to exceed three years. Further, any renunciation of the right to concur in the alienation, encumbrance, or lease of a community immovable, or some or all of the community immovables or community immovables which may be acquired in the future, or all or substantially all of a community enterprise which was proper in form and effective under the law at the time it was made shall continue in effect for the stated term not to exceed three years or if there was no term stated, then until it is revoked.

A spouse may nonetheless reserve the right to concur in the alienation, encumbrance, or lease of specifically described community immovable property. [Acts 1979, No. 709, §1; Amended by Acts 1981, No. 132, §1; Acts 1984, No. 554, §1, eff. Jan. 1, 1985; Acts 1984, No. 622, §1, eff. Jan. 1, 1985]

Art. 2349. The donation of community property to a third person requires the concurrence of the spouses, but a spouse acting alone may make a usual or customary gift of a value commensurate with the economic position of the spouses at the time of the donation. [Acts 1979, No. 709, §1]

Art. 2350. The spouse who is the sole manager of a community enterprise has the exclusive right to alienate, encumber, or lease its movables unless the movables are issued in the name of the other spouse or the concurrence of the other spouse is required by law.

A community enterprise is a business that is not a juridical person. [Acts 1979, No. 709, §1; Acts 2017, No. 197, §1]

Art. 2351. A spouse has the exclusive right to manage, alienate, encumber, or lease movables issued or registered in his name as provided by law. [Acts 1979, No. 709, §1]

Art. 2352. A spouse who is a partner has the exclusive right to manage, alienate, encumber, or lease the partnership interest.

A spouse who is a member has the exclusive right to manage, alienate, encumber, or lease the limited liability company interest. [Acts 1979, No. 709, §1; Acts 1993, No. 475, §1, eff. June 9, 1993]

Art. 2353. When the concurrence of the spouses is required by law, the alienation, encumbrance, or lease of community property by a spouse is relatively null unless the other spouse has renounced the right to concur. Also,

the alienation, encumbrance, or lease of the assets of a community enterprise by the non-manager spouse is a relative nullity. [Acts 1979, No. 709, §1]

Art. 2354. A spouse is liable for any loss or damage caused by fraud or bad faith in the management of the community property. [Acts 1979, No. 709, §1]

Art. 2355. A spouse, in a summary proceeding, may be authorized by the court to act without the concurrence of the other spouse upon showing that such action is in the best interest of the family and that the other spouse arbitrarily refuses to concur or that concurrence may not be obtained due to the physical incapacity, mental incompetence, commitment, imprisonment, temporary absence of the other spouse, or because the other spouse is an absent person. [Acts 1979, No. 709, §1; Acts 1990, No. 989, §2, eff. Jan. 1, 1991]

Art. 2355.1. When a spouse is an absent person, the other spouse, upon showing that such action is in the best interest of the family, may be authorized by the court in a summary proceeding to manage, alienate, encumber, or lease community property that the absent spouse has the exclusive right to manage, alienate, encumber, or lease. [Acts 1990, No. 989, §2, eff. Jan. 1, 1991]

SECTION 3 - TERMINATION OF THE COMMUNITY

Art. 2356. The legal regime of community property is terminated by the death or judgment of declaration of death of a spouse, declaration of the nullity of the marriage, judgment of divorce or separation of property, or matrimonial agreement that terminates the community. [Acts 1979, No. 709, §1; Acts 1990, No. 989, §2, eff. Jan. 1, 1991]

Art. 2357. An obligation incurred by a spouse before or during the community property regime may be satisfied after termination of the regime from the property of the former community and from the separate property of the spouse who incurred the obligation. The same rule applies to an obligation for attorney's fees and costs in an action for divorce incurred by a spouse between the date the petition for divorce was filed and the date of the judgment of divorce that terminates the community regime.

If a spouse disposes of property of the former community for a purpose other than the satisfaction of community obligations, he is liable for all obligations incurred by the other spouse up to the value of that community property.

A spouse may by written act assume responsibility for one-half of each community obligation incurred by the other spouse. In such case, the assuming spouse may dispose of community property without incurring further responsibility for the obligations incurred by the other spouse. [Acts 1979, No. 709, §1; Acts 1990, No. 1009, §3, eff. Jan. 1, 1991]

Art. 2357.1. [Blank]

Art. 2358. A spouse may have a claim against the other spouse for reimbursement in accordance with the following Articles.

A claim for reimbursement may be asserted only after termination of the community property regime, unless otherwise provided by law. [Acts 1979, No. 709, §1; Acts 1990, No. 991, §1; Acts 2009, No. 204, §1]

Art. 2358.1. Reimbursement shall be made from the patrimony of the spouse who owes reimbursement. [Acts 1990, No. 991, §1]

Art. 2359. An obligation incurred by a spouse may be either a community obligation or a separate obligation. [Acts 1979, No. 709, §1]

Art. 2360. An obligation incurred by a spouse during the existence of a community property regime for the common interest of the spouses or for the interest of the other spouse is a community obligation. [Acts 1979, No. 709, §1]

Art. 2361. Except as provided in Article 2363, all obligations incurred by a spouse during the existence of a community property regime are presumed to be community obligations. [Acts 1979, No. 709, §1]

Art. 2362. An alimentary obligation imposed by law on a spouse is deemed to be a community obligation. [Acts 1979, No. 709, §1]

Art. 2362.1. A. An obligation incurred before the date of a judgment of divorce for attorney fees and costs in an action for divorce and in incidental actions is deemed to be a community obligation. [Acts 1990, No. 1009, §3, eff. Jan. 1, 1991; Acts 2009, No. 204, §1]

B. Notwithstanding the provisions of Paragraph A of this Article, the court may assess attorney fees and costs in an action for divorce granted pursuant to Article 103(4) or (5) and in incidental actions thereafter against the perpetrator of abuse, which shall be a separate obligation of the perpetrator. [Acts 2015, No. 221, §1, eff. Aug. 1, 2015]

Art. 2363. A separate obligation of a spouse is one incurred by that spouse prior to the establishment of a community property regime, or one incurred during the existence of a community property regime though not for the common interest of the spouses or for the interest of the other spouse.

An obligation resulting from an intentional wrong or an obligation incurred for the separate property of a spouse is likewise a separate obligation to the extent that it does not benefit both spouses, the family, or the other spouse. [Acts 1979, No. 709, §1; Acts 1990, No. 1009, §3, eff. Jan. 1, 1991; Acts 2009, No. 204, §1]

Art. 2364. If community property has been used during the existence of the community property regime or former community property has been used thereafter to satisfy a separate obligation of a spouse, the other spouse is entitled to reimbursement for one-half of the amount or value that the property had at the time it was used. [Acts 1979, No. 709, §1; Acts 2009, No. 204, §1]

Art. 2364.1. [Repealed. Acts 2009, No. 204, §3]

Art. 2365. If separate property of a spouse has been used either during the existence of the community property regime or thereafter to satisfy a community obligation, that spouse is entitled to reimbursement for one-half of the amount or value that the property had at the time it was used.

If the community obligation was incurred to acquire ownership or use of a community corporeal movable required by law to be registered, and separate property of a spouse has been used after termination to satisfy that obligation, the reimbursement claim shall be reduced in proportion to the value of the claimant's use after termination of the community property regime. The value of that use and the amount of the claim for reimbursement accrued during the use are presumed to be equal.

The liability of a spouse who owes reimbursement is limited to the value of his share of all community property after deduction of all community obligations. Nevertheless, if the community obligation was incurred for the ordinary and customary expenses of the marriage, or for the support, maintenance, or education of children of either spouse in keeping with the economic condition of the spouses, the spouse is entitled to reimbursement from the other spouse regardless of the value of that spouse's share of all community property. [Acts 1979, No. 709, §1; Acts 1990, No. 991, §1; Acts 2009, No. 204, §1]

Art. 2366. If community property has been used during the existence of the community property regime or former community property has been used thereafter for the acquisition, use, improvement, or benefit of the separate property of a spouse, the other spouse is entitled to reimbursement for one-half of the amount or value that the community property had at the time it was used.

Buildings, other constructions permanently attached to the ground, and plantings made on the separate property of a spouse with community property belong to the owner of the ground. The other spouse is entitled to reimbursement for one-half of the amount or value that the community property had at the time it was used. [Acts 1979, No. 709, §1; Acts 1984, No. 933, §1; Acts 2009, No. 204, §1]

Art. 2367. If separate property of a spouse has been used during the existence of the community property regime for the acquisition, use, improvement, or benefit of community property, that spouse is entitled to reimbursement for one-half of the amount or value that the property had at the time it was used. The liability of the spouse who owes reimbursement is limited to the value of his share of all community property after deduction of all community

obligations.

Buildings, other constructions permanently attached to the ground, and plantings made on community property with separate property of a spouse during the existence of the community property regime are community property. The spouse whose separate property was used is entitled to reimbursement for one-half of the amount or value that the separate property had at the time it was used. The liability of the spouse who owes reimbursement is limited to the value of his share in all community property after deduction of all community obligations. [Acts 1979, No. 709, §1; Acts 1984, No. 933, §1; Acts 1990, No. 991, §1; Acts 2009, No. 204, §1]

Art. 2367.1. If separate property of a spouse has been used during the existence of the community property regime for the acquisition, use, improvement, or benefit of the other spouse's separate property, the spouse whose property was used is entitled to reimbursement for the amount or value that the property had at the time it was used.

Buildings, other constructions permanently attached to the ground, and plantings made on the land of a spouse with the separate property of the other spouse belong to the owner of the ground. The spouse whose property was used is entitled to reimbursement for the amount or value that the property had at the time it was used. [Acts 1984, No. 933, §1; Acts 1990, No. 991, §1; Acts 2009, No. 204, §1]

Art. 2367.2. When a spouse with his own separate property incorporates in or attaches to a separate immovable of the other spouse things that become component parts under Articles 465 and 466, Article 2367.1 applies. [Acts 1984, No. 933, §1; Acts 2009, No. 204, §1]

Art. 2367.3. If a spouse uses separate property during the existence of the community property regime to satisfy the separate obligation of the other spouse, the spouse whose property was used is entitled to reimbursement for the amount or value the property had at the time it was used. [Acts 2009, No. 204, §1]

Art. 2368. If the separate property of a spouse has increased in value as a result of the uncompensated common labor or industry of the spouses, the other spouse is entitled to be reimbursed from the spouse whose property has increased in value one-half of the increase attributed to the common labor. [Acts 1979, No. 709, §1]

Art. 2369. A spouse owes an accounting to the other spouse for community property under his control at the termination of the community property regime.

The obligation to account prescribes in three years from the date of termination of the community property regime. [Acts 1979, No. 709, §1]

Art. 2369.1. After termination of the community property regime, the provisions governing co-ownership apply to former community property, unless otherwise provided by law or by juridical act.

When the community property regime terminates for a cause other than death or judgment of declaration of death of a spouse, the following Articles also apply to former community property until a partition, or the death or judgment of declaration of death of a spouse. [Acts 1990, No. 991, §1; Acts 1995, No. 433, §1]

Art. 2369.2. Each spouse owns an undivided one-half interest in former community property and its fruits and products. [Acts 1995, No. 433, §1]

Art. 2369.3. A spouse has a duty to preserve and to manage prudently former community property under his control in a manner consistent with the mode of use of that property immediately prior to termination of the community regime. He is answerable for any damage caused by his fault, default, or neglect. [Acts 1995, No. 433, §1; Acts 2017, No. 197, §1]

Art. 2369.4. A spouse may not alienate, encumber, or lease former community property or his undivided community interest in that property without the concurrence of the other spouse, except as provided in the following Articles. In the absence of such concurrence, the alienation, encumbrance, or lease is a relative nullity. [Acts 1995, No. 433, §1]

Art. 2369.5. A spouse may alienate, encumber, or lease a movable issued or registered in his name as provided by law. [Acts 1995, No. 433, §1]

Art. 2369.6. The spouse who is the sole manager of a former community enterprise may alienate, encumber, or lease its movables in the regular course of business. [Acts 1995, No. 433, §1]

Art. 2369.7. A spouse may be authorized by the court in a summary proceeding to act without the concurrence of the other spouse, upon showing all of the following:

(1) The action is necessary.

(2) The action is in the best interest of the petitioning spouse and not detrimental to the interest of the nonconcurring spouse.

(3) The other spouse is an absent person or arbitrarily refuses to concur, or is unable to concur due to physical incapacity, mental incompetence, commitment, imprisonment, or temporary absence. [Acts 1995, No. 433, §1]

Art. 2369.8. A spouse has the right to demand partition of former community property at any time. A contrary agreement is absolutely null.

If the spouses are unable to agree on the partition, either spouse may demand judicial partition which shall be conducted in accordance with R.S. 9:2801. [Acts 1995, No. 433, §1]

CHAPTER 3 - SEPARATION OF PROPERTY REGIME

Art. 2370. A regime of separation of property is established by a matrimonial agreement that excludes the legal regime of community of acquets and gains or by a judgment decreeing separation of property. [Acts 1979, No. 709, §1]

Art. 2371. Under the regime of separation of property each spouse acting alone uses, enjoys, and disposes of his property without the consent or concurrence of the other spouse. [Acts 1979, No. 709, §1]

Art. 2372. A spouse is solidarily liable with the other spouse who incurs an obligation for necessities for himself or the family. [Acts 1979, No. 709, §1]

Art. 2373. Each spouse contributes to the expenses of the marriage as provided in the matrimonial agreement. In the absence of such a provision, each spouse contributes in proportion to his means. [Acts 1979, No. 709, §1]

Art. 2374. A. When the interest of a spouse in a community property regime is threatened to be diminished by the fraud, fault, neglect, or incompetence of the other spouse, or by the disorder of the affairs of the other spouse, he may obtain a judgment decreeing separation of property.

B. When a spouse is an absent person, the other spouse is entitled to a judgment decreeing separation of property.

C. When a petition for divorce has been filed, upon motion of either spouse, a judgment decreeing separation of property may be obtained upon proof that the spouses have lived separate and apart without reconciliation for at least thirty days from the date of, or prior to, the filing of the petition for divorce.

D. When the spouses have lived separate and apart continuously for a period of six months, a judgment decreeing separation of property shall be granted on the petition of either spouse. [Acts 1992, No. 295, §1; Acts 1993, No. 25, §1; Acts 1993, No. 627, §1; Acts 2010, No. 603, §1, eff. Jul. 25, 2010]

Art. 2375. A. Except as provided in Paragraph C of this Article, a judgment decreeing separation of property terminates the regime of community property retroactively to the day of the filing of the petition or motion therefor, without prejudice to rights validly acquired in the interim between filing of the petition or motion and rendition of judgment.

B. If a judgment has been rendered in accordance with Article 2374(C) or (D), a reconciliation reestablishes the regime of community property between the spouses retroactively to the day of its termination, unless prior to the reconciliation the spouses execute a matrimonial agreement to the contrary. This agreement need not be approved by

the court and is effective toward third persons when filed for registry in the manner provided by Article 2332. The reestablishment of the community is effective toward third persons when a notice thereof is filed for registry in the same manner.

C. If a judgment is rendered on the ground that the spouses were living separate and apart without having reconciled for at least thirty days from the date of, or prior to, the filing of the petition for divorce, the judgment shall be effective retroactively to the date the petition for divorce was filed, without prejudice to rights validly acquired in the interim. All subsequent pleadings or motions involving matters incidental to the divorce shall be filed in the first filed suit. [Acts 1992, No. 295, §1; Acts 1993, No. 25, §1; Acts 1993, No. 627, §1; Acts 1997, No. 35, §1; Acts 2010, No. 603, §1, eff. Jul. 25, 2010; Acts 2017, No. 197, §1]

Art. 2376. The creditors of a spouse, by intervention in the proceeding, may object to the separation of property or modification of their matrimonial regime as being in fraud of their rights. They also may sue to annul a judgment of separation of property within one year from the date of the rendition of the final judgment. After execution of the judgment, they may assert nullity only to the extent that they have been prejudiced. [Acts 1979, No. 709, §1]

Arts. 2377-2431. [Repealed. Acts 1978, No. 627, §6; Acts 1979, No. 709, §1]

CHAPTER 4 - MARITAL PORTION

Art. 2432. When a spouse dies rich in comparison with the surviving spouse, the surviving spouse is entitled to claim the marital portion from the succession of the deceased spouse. [Acts 1979, No. 710, §1]

Art. 2433. The marital portion is an incident of any matrimonial regime and a charge on the succession of the deceased spouse. It may be claimed by the surviving spouse, even if separated from the deceased, on proof that the separation occurred without his fault. [Acts 1979, No. 710, §1]

Art. 2434. The marital portion is one-fourth of the succession in ownership if the deceased died without children, the same fraction in usufruct for life if he is survived by three or fewer children, and a child's share in such usufruct if he is survived by more than three children. In no event, however, shall the amount of the marital portion exceed one million dollars. [Acts 1979, No. 710, §1; Acts 1987, No. 289, §1]

Art. 2435. A legacy left by the deceased to the surviving spouse and payments due to him as a result of the death are deducted from the marital portion. [Acts 1979, No. 710, §1]

Art. 2436. The right of the surviving spouse to claim the marital portion is personal and nonhereditary. This right prescribes three years from the date of death. [Acts 1979, No. 710, §1]

Art. 2437. When, during the administration of the succession, it appears that the surviving spouse will be entitled to the marital portion, he has the right to demand and receive a periodic allowance from the succession representative.

The amount of the allowance is fixed by the court in which the succession proceeding is pending. If the marital portion, as finally fixed, is less than the allowance, the surviving spouse is charged with the deficiency. [Acts 1979, No. 710, §1]

TITLE VII - SALE

CHAPTER 1 - OF THE NATURE AND FORM OF THE CONTRACT OF SALE

Art. 2438. In all matters for which no special provision is made in this title, the contract of sale is governed by the rules of the titles on Obligations in General and Conventional Obligations or Contracts. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2439. Sale is a contract whereby a person transfers ownership of a thing to another for a price in money.

The thing, the price, and the consent of the parties are requirements for the perfection of a sale. [Acts 1993, No. 841,

§1, eff. Jan. 1, 1995]

Art. 2440. A sale or promise of sale of an immovable must be made by authentic act or by act under private signature, except as provided in Article 1839. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2441. [Reserved]

Art. 2442. The parties to an act of sale or promise of sale of immovable property are bound from the time the act is made, but such an act is not effective against third parties until it is filed for registry according to the laws of registry. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995; Acts 2005, No. 169, §2, eff. July 1, 2006; Acts 2005, 1st Ex. Sess., No. 13, §1, eff. Nov. 29, 2005]

Art. 2443. A person cannot purchase a thing he already owns. Nevertheless, the owner of a thing may purchase the rights of a person who has, or may have, an adverse claim to the thing. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2444. [Repealed. Acts 2012, No. 277, §1, eff. Aug. 1, 2012]

Arts. 2445-2446. [Reserved]

CHAPTER 2 - OF PERSONS CAPABLE OF BUYING AND SELLING

Art. 2447. Officers of a court, such as judges, attorneys, clerks, and law enforcement agents, cannot purchase litigious rights under contestation in the jurisdiction of that court. The purchase of a litigious right by such an officer is null and makes the purchaser liable for all costs, interest, and damages. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

CHAPTER 3 - OF THINGS WHICH MAY BE SOLD

Art. 2448. All things corporeal or incorporeal, susceptible of ownership, may be the object of a contract of sale, unless the sale of a particular thing is prohibited by law. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2449. [Reserved]

Art. 2450. A future thing may be the object of a contract of sale. In such a case the coming into existence of the thing is a condition that suspends the effects of the sale. A party who, through his fault, prevents the coming into existence of the thing is liable for damages. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2451. A hope may be the object of a contract of sale. Thus, a fisherman may sell a haul of his net before he throws it. In that case the buyer is entitled to whatever is caught in the net, according to the parties' expectations, and even if nothing is caught the sale is valid. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2452. The sale of a thing belonging to another does not convey ownership. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2453. When the ownership of a thing is the subject of litigation, the sale of that thing during the pendency of the suit does not affect the claimant's rights. Where the thing is immovable, the rights of third persons are governed by the laws of registry. [Amended by Acts 1878, No. 3; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2454-2455. [Reserved]

CHAPTER 4 - HOW THE CONTRACT OF SALE IS TO BE PERFECTED

Art. 2456. Ownership is transferred between the parties as soon as there is agreement on the thing and the price is fixed, even though the thing sold is not yet delivered nor the price paid. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2457. When the object of a sale is a thing that must be individualized from a mass of things of the same kind, ownership is transferred when the thing is thus individualized according to the intention of the parties. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2458. When things are sold by weight, tale, or measure, ownership is transferred between the parties when the seller, with the buyer's consent, weighs, counts or measures the things.

When things, such as goods or produce, are sold in a lump, ownership is transferred between the parties upon their consent, even though the things are not yet weighed, counted, or measured. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2459. [Reserved]

Art. 2460. When the buyer has reserved the view or trial of the thing, ownership is not transferred from the seller to the buyer until the latter gives his approval of the thing. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2461. The sale of a thing includes all accessories intended for its use in accordance with the law of property. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2462. [Reserved]

Art. 2463. The expenses of the act and other expenses incidental to the sale must be borne by the buyer. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

CHAPTER 5 - OF THE PRICE OF THE CONTRACT OF SALE

Art. 2464. The price must be fixed by the parties in a sum either certain or determinable through a method agreed by them. There is no sale unless the parties intended that a price be paid.

The price must not be out of all proportion with the value of the thing sold. Thus, the sale of a plantation for a dollar is not a sale, though it may be a donation in disguise. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2465. The price may be left to the determination of a third person. If the parties fail to agree on or to appoint such a person, or if the one appointed is unable or unwilling to make a determination, the price may be determined by the court. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2466. When the thing sold is a movable of the kind that the seller habitually sells and the parties said nothing about the price, or left it to be agreed later and they fail to agree, the price is a reasonable price at the time and place of delivery. If there is an exchange or market for such things, the quotations or price lists of the place of delivery or, in their absence, those of the nearest market, are a basis for the determination of a reasonable price.

Nevertheless, if the parties intend not to be bound unless a price be agreed on, there is no contract without such an agreement. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

CHAPTER 6 - AT WHOSE RISK THE THING IS, AFTER THE SALE IS COMPLETED

Art. 2467. The risk of loss of the thing sold owing to a fortuitous event is transferred from the seller to the buyer at the time of delivery.

That risk is so transferred even when the seller has delivered a nonconforming thing, unless the buyer acts in the manner required to dissolve the contract. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2468-2473. [Reserved]

CHAPTER 7 - OF THE OBLIGATIONS OF THE SELLER

Art. 2474. The seller must clearly express the extent of his obligations arising from the contract, and any obscurity or ambiguity in that expression must be interpreted against the seller. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2475. The seller is bound to deliver the thing sold and to warrant to the buyer ownership and peaceful possession of, and the absence of hidden defects in, that thing. The seller also warrants that the thing sold is fit for its intended use. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2476. [Reserved]

Art. 2477. Delivery of an immovable is deemed to take place upon execution of the writing that transfers its ownership.

Delivery of a movable takes place by handing it over to the buyer. If the parties so intend delivery may take place in another manner, such as by the seller's handing over to the buyer the key to the place where the thing is stored, or by negotiating to him a document of title to the thing, or even by the mere consent of the parties if the thing sold cannot be transported at the time of the sale or if the buyer already has the thing at that time. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2478-2479. [Reserved]

Art. 2480. When the thing sold remains in the corporeal possession of the seller the sale is presumed to be a simulation, and, where the interest of heirs and creditors of the seller is concerned, the parties must show that their contract is not a simulation. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2481. Delivery of incorporeal movable things incorporated into an instrument, such as stocks and bonds, takes place by negotiating such instrument to the buyer. Delivery of other incorporeal movables, such as credit rights, takes place upon the transfer of those movables. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2482. When at the time of the sale the seller is not in possession of the thing sold he must obtain possession at his cost and deliver the thing to the buyer. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2483. The cost of making delivery is borne by the seller and that of taking delivery by the buyer, in the absence of agreement to the contrary. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2484. Delivery must be made at the place agreed upon by the parties or intended by them. In the absence of such agreement or intent, delivery must be made at the place where the thing is located at the time of the sale. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2485. When the seller fails to deliver or to make timely delivery of the thing sold, the buyer may demand specific performance of the obligation of the seller to deliver, or may seek dissolution of the sale.

In either case, and also when the seller has made a late delivery, the buyer may seek damages. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2486. [Reserved]

Art. 2487. The seller may refuse to deliver the thing sold until the buyer tenders payment of the price, unless the seller has granted the buyer a term for such payment. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2488. [Reserved]

Art. 2489. The seller must deliver the thing sold in the condition that, at the time of the sale, the parties expected, or should have expected, the thing to be in at the time of delivery, according to its nature. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2490. [Reserved]

Art. 2491. The seller must deliver to the buyer the full extent of the immovable sold. That obligation may be modified in accordance with the provisions of the following Articles. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2492. If the sale of an immovable has been made with indication of the extent of the premises at the rate of so much per measure, but the seller is unable to deliver the full extent specified in the contract, the price must be proportionately reduced.

If the extent delivered by the seller is greater than that specified in the contract, the buyer must pay to the seller a proportionate supplement of the price. The buyer may recede from the sale when the actual extent of the immovable sold exceeds by more than one twentieth the extent specified in the contract. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2493. [Reserved]

Art. 2494. When the sale of an immovable has been made with indication of the extent of the premises, but for a lump price, the expression of the measure does not give the seller the right to a proportionate increase of the price, nor does it give the buyer the right to a proportionate diminution of the price, unless there is a surplus, or a shortage, of more than one twentieth of the extent specified in the act of sale.

When the surplus is such as to give the seller the right to an increase of the price the buyer has the option either to pay that increase or to recede from the contract. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2495. When an immovable described as a certain and limited body or a distinct object is sold for a lump price, an expression of the extent of the immovable in the act of sale does not give the parties any right to an increase or diminution of the price in case of surplus or shortage in the actual extension of the immovable. [Amended by Acts 1871, No. 87; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2496. [Reserved]

Art. 2497. When the buyer has the right to recede from the contract the seller must return the price, if he has already received it, and also reimburse the buyer for the expenses of the sale. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2498. The seller's action for an increase of the price and the buyer's actions for diminution of the price or dissolution of the sale for shortage or excessive surplus in the extent of the immovable sold prescribe one year from the day of the sale. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2499. [Reserved]

CHAPTER 8 - EVICTION

Art. 2500. The seller warrants the buyer against eviction, which is the buyer's loss of, or danger of losing, the whole or part of the thing sold because of a third person's right that existed at the time of the sale. The warranty also covers encumbrances on the thing that were not declared at the time of the sale, with the exception of apparent servitudes and natural and legal nonapparent servitudes, which need not be declared.

If the right of the third person is perfected only after the sale through the negligence of the buyer, though it arises from facts that took place before, the buyer has no claim in warranty. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2501. [Reserved]

Art. 2502. A person may transfer to another whatever rights to a thing he may then have, without warranting the existence of any such rights. In such a case the transferor does not owe restitution of the price to the transferee in case of eviction, nor may that transfer be rescinded for lesion.

Such a transfer does not give rise to a presumption of bad faith on the part of the transferee and is a just title for the purposes of acquisitive prescription.

If the transferor acquires ownership of the thing after having transferred his rights to it, the after-acquired title of the transferor does not inure to the benefit of the transferee. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2503. The warranty against eviction is implied in every sale. Nevertheless, the parties may agree to increase or to limit the warranty. They may also agree to an exclusion of the warranty, but even in that case the seller must return the price to the buyer if eviction occurs, unless it is clear that the buyer was aware of the danger of eviction, or

the buyer has declared that he was buying at his peril and risk, or the seller's obligation of returning the price has been expressly excluded.

In all those cases the seller is liable for an eviction that is occasioned by his own act, and any agreement to the contrary is null.

The buyer is subrogated to the rights in warranty of the seller against other persons, even when the warranty is excluded. [Amended by Acts 1924, No. 116; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2504-2505. [Reserved]

Art. 2506. A buyer who avails himself of the warranty against eviction may recover from the seller the price he paid, the value of any fruits he had to return to the third person who evicted him, and also other damages sustained because of the eviction with the exception of any increase in value of the thing lost. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2507. A seller liable for eviction must return the full price to the buyer even if, at the time of the eviction, the value of the thing has been diminished due to any cause including the buyer's neglect.

Nevertheless, if the buyer has benefited from a diminution in value caused by his own act, the amount of his benefit must be deducted from the total owed to him by the seller because of the eviction. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2508. [Reserved]

Art. 2509. A seller liable for eviction must reimburse the buyer for the cost of useful improvements to the thing made by the buyer. If the seller knew at the time of the sale that the thing belonged to a third person, he must reimburse the buyer for the cost of all improvements. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2510. [Reserved]

Art. 2511. When the buyer is evicted from only a part of the thing sold, he may obtain rescission of the sale if he would not have bought the thing without that part. If the sale is not rescinded, the buyer is entitled to a diminution of the price in the proportion that the value of the part lost bears to the value of the whole at the time of the sale. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2512. The warranty against eviction extends also to those things that proceed from the thing sold. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2513. In a sale of a right of succession, the warranty against eviction extends only to the right to succeed the decedent, which entitles the buyer to those things that are, in fact, a part of the estate, but it does not extend to any particular thing. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2514-2516. [Reserved]

Art. 2517. A buyer threatened with eviction must give timely notice of the threat to the seller. If a suit for eviction has been brought against the buyer, his calling in the seller to defend that suit amounts to such notice.

A buyer who elects to bring suit against a third person who disturbs his peaceful possession of the thing sold must give timely notice of that suit to the seller.

In either case, a buyer who fails to give such notice, or who fails to give it in time for the seller to defend himself, forfeits the warranty against eviction if the seller can show that, had he been notified in time, he would have been able to prove that the third person who sued the buyer had no right. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2518-2519. [Reserved]

CHAPTER 9 - REDHIBITION

Art. 2520. The seller warrants the buyer against redhibitory defects, or vices, in the thing sold.

A defect is redhibitory when it renders the thing useless, or its use so inconvenient that it must be presumed that a buyer would not have bought the thing had he known of the defect. The existence of such a defect gives a buyer the right to obtain rescission of the sale.

A defect is redhibitory also when, without rendering the thing totally useless, it diminishes its usefulness or its value so that it must be presumed that a buyer would still have bought it but for a lesser price. The existence of such a defect limits the right of a buyer to a reduction of the price. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2521. The seller owes no warranty for defects in the thing that were known to the buyer at the time of the sale, or for defects that should have been discovered by a reasonably prudent buyer of such things. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2522. The buyer must give the seller notice of the existence of a redhibitory defect in the thing sold. That notice must be sufficiently timely as to allow the seller the opportunity to make the required repairs. A buyer who fails to give that notice suffers diminution of the warranty to the extent the seller can show that the defect could have been repaired or that the repairs would have been less burdensome, had he received timely notice.

Such notice is not required when the seller has actual knowledge of the existence of a redhibitory defect in the thing sold. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2523. [Reserved]

Art. 2524. The thing sold must be reasonably fit for its ordinary use.

When the seller has reason to know the particular use the buyer intends for the thing, or the buyer's particular purpose for buying the thing, and that the buyer is relying on the seller's skill or judgment in selecting it, the thing sold must be fit for the buyer's intended use or for his particular purpose.

If the thing is not so fit, the buyer's rights are governed by the general rules of conventional obligations. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2525-2528. [Reserved]

Art. 2529. When the thing the seller has delivered, though in itself free from redhibitory defects, is not of the kind or quality specified in the contract or represented by the seller, the rights of the buyer are governed by other rules of sale and conventional obligations. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2530. The warranty against redhibitory defects covers only defects that exist at the time of delivery. The defect shall be presumed to have existed at the time of delivery if it appears within three days from that time. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2531. A seller who did not know that the thing he sold had a defect is only bound to repair, remedy, or correct the defect. If he is unable or fails so to do, he is then bound to return the price to the buyer with interest from the time it was paid, and to reimburse him for the reasonable expenses occasioned by the sale, as well as those incurred for the preservation of the thing, less the credit to which the seller is entitled if the use made of the thing, or the fruits it has yielded, were of some value to the buyer.

A seller who is held liable for a redhibitory defect has an action against the manufacturer of the defective thing, if the defect existed at the time the thing was delivered by the manufacturer to the seller, for any loss the seller sustained because of the redhibition. Any contractual provision that attempts to limit, diminish or prevent such recovery by a seller against the manufacturer shall have no effect. [Amended by Acts 1974, No. 673, §1; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2532. A buyer who obtains rescission because of a redhibitory defect is bound to return the thing to the seller, for which purpose he must take care of the thing as a prudent administrator, but is not bound to deliver it back until all his claims, or judgments, arising from the defect are satisfied.

If the redhibitory defect has caused the destruction of the thing the loss is borne by the seller, and the buyer may bring his action even after the destruction has occurred.

If the thing is destroyed by a fortuitous event before the buyer gives the seller notice of the existence of a redhibitory defect that would have given rise to a rescission of the sale, the loss is borne by the buyer.

After such notice is given, the loss is borne by the seller, except to the extent the buyer has insured that loss. A seller who returns the price, or a part thereof, is subrogated to the buyer's right against third persons who may be liable for the destruction of the thing. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2533. [Reserved]

Art. 2534. A.(1) The action for redhibition against a seller who did not know of the existence of a defect in the thing sold prescribes in four years from the day delivery of such thing was made to the buyer or one year from the day the defect was discovered by the buyer, whichever occurs first.

(2) However, when the defect is of residential or commercial immovable property, an action for redhibition against a seller who did not know of the existence of the defect prescribes in one year from the day delivery of the property was made to the buyer.

B. The action for redhibition against a seller who knew, or is presumed to have known, of the existence of a defect in the thing sold prescribes in one year from the day the defect was discovered by the buyer.

C. In any case prescription is interrupted when the seller accepts the thing for repairs and commences anew from the day he tenders it back to the buyer or notifies the buyer of his refusal or inability to make the required repairs. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995; Acts 1995, No. 172, §1; Acts 1997, No. 266, §1]

Arts. 2535-2536. [Reserved]

Art. 2537. Judicial sales resulting from a seizure are not subject to the rules on redhibition. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2538. The warranty against redhibitory vices is owed by each of multiple sellers in proportion to his interest.

Multiple buyers must concur in an action for rescission because of a redhibitory defect. An action for reduction of the price may be brought by one of multiple buyers in proportion to his interest.

The same rules apply if a thing with a redhibitory defect is transferred, inter vivos or mortis causa, to multiple successors. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2539. [Reserved]

Art. 2540. When more than one thing are sold together as a whole so that the buyer would not have bought one thing without the other or others, a redhibitory defect in one of such things gives rise to redhibition for the whole. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2541. A buyer may choose to seek only reduction of the price even when the redhibitory defect is such as to give him the right to obtain rescission of the sale.

In an action for rescission because of a redhibitory defect the court may limit the remedy of the buyer to a reduction of the price. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2542-2544. [Reserved]

Art. 2545. A seller who knows that the thing he sells has a defect but omits to declare it, or a seller who declares that the thing has a quality that he knows it does not have, is liable to the buyer for the return of the price with interest from the time it was paid, for the reimbursement of the reasonable expenses occasioned by the sale and those incurred for the preservation of the thing, and also for damages and reasonable attorney fees. If the use made of the thing, or the fruits it might have yielded, were of some value to the buyer, such a seller may be allowed credit for such use or fruits.

A seller is deemed to know that the thing he sells has a redhibitory defect when he is a manufacturer of that thing. [Amended by Acts 1968, No. 84, §1; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2546-2547. [Reserved]

Art. 2548. The parties may agree to an exclusion or limitation of the warranty against redhibitory defects. The terms of the exclusion or limitation must be clear and unambiguous and must be brought to the attention of the buyer.

A buyer is not bound by an otherwise effective exclusion or limitation of the warranty when the seller has declared that the thing has a quality that he knew it did not have.

The buyer is subrogated to the rights in warranty of the seller against other persons, even when the warranty is excluded. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

CHAPTER 10 - OF THE OBLIGATIONS OF THE BUYER

Art. 2549. The buyer is bound to pay the price and to take delivery of the thing. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2550. Payment of the price is due at the time and place stipulated in the contract, or at the time and place of delivery if the contract contains no such stipulation. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2551-2552. [Reserved]

Art. 2553. The buyer owes interest on the price from the time it is due. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2554. [Reserved]

Art. 2555. A buyer who fails to take delivery of the thing after a tender of such delivery, or who fails to pay the price, is liable for expenses incurred by the seller in preservation of the thing and for other damages sustained by the seller. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2556. [Reserved]

Art. 2557. A buyer who is evicted by the claim of a third person may withhold payment of the price until he is restored to possession, unless the seller gives security for any loss the buyer may sustain as a result of the eviction.

A seller who, in such a case, is unable or unwilling to give security may compel the buyer to deposit the price with the court until the right of the third person is adjudged. Also the buyer may deposit the price with the court, on his own initiative, to prevent the accrual of interest.

A buyer may not withhold payment of the price when the seller is not liable for a return of the price in case of eviction. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2558-2559. [Reserved]

Art. 2560. A buyer who paid the price before being evicted of the thing may not demand that the seller return the price or give security for it. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2561. If the buyer fails to pay the price, the seller may sue for dissolution of the sale. If the seller has given credit for the price and transfers that credit to another person, the right of dissolution is transferred together with the

credit. In case of multiple credit holders all must join in the suit for dissolution, but if any credit holder refuses to join, the others may subrogate themselves to his right by paying the amount due to him.

If a promissory note or other instrument has been given for the price, the right to dissolution prescribes at the same time and in the same period as the note or other instrument. [Amended by Acts 1924, No. 108; [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2562. When an action is brought for the dissolution of the sale of an immovable and there is no danger that the seller may lose the price and the thing, the court, according to the circumstances, may grant the buyer an extension of time, not in excess of sixty days, to make payment, and shall pronounce the sale dissolved if the buyer fails to pay within that time. When there is such a danger, the court may not grant the buyer an extension of time for payment. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2563. When the contract of sale of an immovable expressly provides for dissolution in case of failure to pay the price, the buyer still has the right to pay, in spite of the express dissolution clause, for as long as the seller has not given the buyer notice that he avails himself of that clause or has not filed suit for dissolution. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2564. If the thing is movable and the seller chooses to seek judicial dissolution of the sale because of the failure of the buyer to perform, the court may not grant to the buyer any extension of time to perform. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2565-2566. [Reserved]

CHAPTER 11 - OF THE SALE WITH A RIGHT OF REDEMPTION

Art. 2567. The parties to a contract of sale may agree that the seller shall have the right of redemption, which is the right to take back the thing from the buyer. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2568. The right of redemption may not be reserved for more than ten years when the thing sold is immovable, or more than five years when the thing sold is movable. If a longer time for redemption has been stipulated in the contract that time must be reduced to either ten or five years, depending on the nature of the thing sold. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2569. A sale with right of redemption is a simulation when the surrounding circumstances show that the true intent of the parties was to make a contract of security. When such is the case, any monies, fruits or other benefit received by the buyer as rent or otherwise may be regarded as interest subject to the usury laws. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2570. If the seller does not exercise the right of redemption within the time allowed by law, the buyer becomes unconditional owner of the thing sold. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2571. The period for redemption is peremptive and runs against all persons including minors.

It may not be extended by the court. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2572. When the thing is immovable, the right of redemption is effective against third persons only from the time the instrument that contains it is filed for registry in the parish where the immovable is located.

When the thing is movable, the right of redemption is effective against third persons who, at the time of purchase, had actual knowledge of the existence of that right. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2573. [Reserved]

Art. 2574. A buyer under redemption may avail himself of the right of discussion against creditors of the seller. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2575. The fruits and products of a thing sold with right of redemption belong to the buyer. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2576. [Reserved]

Art. 2577. The buyer is entitled to all improvements he made on the thing that can be removed when the seller exercises the right of redemption. If such improvements cannot be removed, the buyer is entitled to the enhancement of the value of the thing resulting from the improvements. The buyer is also entitled to the enhancement of the value of the thing resulting from ungathered fruits and unharvested crops.

If the thing sold under right of redemption is naturally increased by accession, alluvion, or accretion before the redeeming seller exercises the right, the increase belongs to the seller. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2578. During the time allowed for redemption, the buyer must administer the thing sold with the degree of care of a prudent administrator. He is liable to the redeeming seller for any deterioration of the thing caused by the lack of such care. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2579-2583. [Reserved]

Art. 2584. If more than one seller concurred in the sale with right of redemption of an immovable, or if a seller has died leaving more than one successor, the exercise of the right of redemption is governed by the rules provided for the division of the action for lesion among multiple sellers, or among successors of the seller or of the buyer. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2585-2586. [Reserved]

Art. 2587. A seller who exercises the right of redemption must reimburse the buyer for all expenses of the sale and for the cost of repairs necessary for the preservation of the thing. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2588. The seller who exercises the right of redemption is entitled to recover the thing free of any encumbrances placed upon it by the buyer. Nevertheless, when the thing is an immovable, the interests of third persons are governed by the laws of registry. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

HAPTER 12 - RESCISSION FOR LESION BEYOND MOIETY

Art. 2589. The sale of an immovable may be rescinded for lesion when the price is less than one half of the fair market value of the immovable. Lesion can be claimed only by the seller and only in sales of corporeal immovables. It cannot be alleged in a sale made by order of the court.

The seller may invoke lesion even if he has renounced the right to claim it. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2590. To determine whether there is lesion, the immovable sold must be evaluated according to the state in which it was at the time of the sale. If the sale was preceded by an option contract, or by a contract to sell, the property must be evaluated in the state in which it was at the time of that contract. [Amended by Acts 1950, No. 154; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2591. When a sale is subject to rescission for lesion the buyer may elect either to return the immovable to the seller, or to keep the immovable by giving to the seller a supplement equal to the difference between the price paid by the buyer and the fair market value of the immovable determined according to the preceding Article. [Amended by Acts 1871, No. 87; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2592. If the buyer elects to return the immovable he must also return to the seller the fruits of the immovable from the time a demand for rescission was made. In such a case, the seller must return to the buyer the price with interest from the same time.

If the buyer elects to keep the immovable he must also pay to the seller interest on the supplement from the time a

demand for rescission was made. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2593. [Reserved]

Art. 2594. When the buyer has sold the immovable, the seller may not bring an action for lesion against a third person who bought the immovable from the original buyer.

In such a case the seller may recover from the original buyer whatever profit the latter realized from the sale to the third person. That recovery may not exceed the supplement the seller would have recovered if the original buyer had chosen to keep the immovable. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2595. The action for lesion must be brought within a peremptive period of one year from the time of the sale. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2596. When the buyer has granted a right on the immovable to a third person, rescission may not impair the interest of that person. The seller who receives back the immovable so encumbered is entitled to recover from the buyer any diminution in value suffered by the immovable because of the right of the third person. That recovery may not exceed the supplement the seller would have recovered if the buyer had not encumbered the immovable and had decided to keep it. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2597. When rescission is granted for lesion the seller must take back the immovable in the state it is at that time. The buyer is not liable to the seller for any deterioration or loss sustained by the immovable before the demand for rescission was made, unless the deterioration or loss was turned into profit for the buyer.

The seller must reimburse the buyer for the expenses of the sale and for those incurred for the improvement of the immovable, even if the improvement was made solely for the convenience of the buyer. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2598. [Reserved]

Art. 2599. The buyer may retain possession of the immovable until the seller reimburses the buyer the price and the recoverable expenses. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2600. If more than one seller concurred in the sale of an immovable owned by them in indivision, or if each of them sold separately his share of the immovable, each seller may bring an action for lesion for his share.

Likewise, if a seller died leaving more than one successor, each successor may bring an action for lesion individually for that share of the immovable corresponding to his right. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

CHAPTER 13 - SALES OF MOVABLES

Art. 2601. An expression of acceptance of an offer to sell a movable thing suffices to form a contract of sale if there is agreement on the thing and the price, even though the acceptance contains terms additional to, or different from, the terms of the offer, unless acceptance is made conditional on the offeror's acceptance of the additional or different terms. Where the acceptance is not so conditioned, the additional or different terms are regarded as proposals for modification and must be accepted by the offeror in order to become a part of the contract.

Between merchants, however, additional terms become part of the contract unless they alter the offer materially, or the offer expressly limits the acceptance to the terms of the offer, or the offeree is notified of the offeror's objection to the additional terms within a reasonable time, in all of which cases the additional terms do not become a part of the contract. Additional terms alter the offer materially when their nature is such that it must be presumed that the offeror would not have contracted on those terms. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2602. A contract of sale of movables may be established by conduct of both parties that recognizes the existence of that contract even though the communications exchanged by them do not suffice to form a contract. In such a case the contract consists of those terms on which the communications of the parties agree, together with any applicable provisions of the suppletive law. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2603. The seller must deliver to the buyer things that conform to the contract.

Things do not conform to the contract when they are different from those selected by the buyer or are of a kind, quality, or quantity different from the one agreed. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2604. The buyer has a right to have a reasonable opportunity to inspect the things, even after delivery, for the purpose of ascertaining whether they conform to the contract. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2605. A buyer may reject nonconforming things within a reasonable time. The buyer must give reasonable notice to the seller to make the rejection effective. A buyer's failure to make an effective rejection within a reasonable time shall be regarded as an acceptance of the things. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2606. A buyer who, with knowledge, accepts nonconforming things may no longer reject those things on grounds of that nonconformity, unless the acceptance was made in the reasonable belief that the nonconformity would be cured. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2607. Out of a quantity of things delivered by the seller, the buyer may accept those things that conform to the contract and form a commercial unit and may reject those that do not conform. The buyer must pay at the contract rate for any things that are accepted. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2608. When the seller has no agent or business office at the place of delivery, a buyer who is a merchant and has rejected the things must follow any reasonable instructions received from the seller with respect to those things. If the seller gives no such instructions, and the things rejected are perishable or susceptible of rapid decline in value, the merchant buyer must make reasonable efforts to sell those things on the seller's behalf.

In all instances of rejection, a buyer who is a merchant must handle the rejected things as a prudent administrator. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2609. When the seller fails to render the performance required by a contract of sale of movable things, the buyer may purchase substitute things within a reasonable time and in good faith. In such a case the buyer is entitled to recover the difference between the contract price and the price of the substitute things. The buyer may recover other damages also, less the expenses saved as a result of the failure of the seller to perform. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2610. Upon rejection of nonconforming things by the buyer, the seller may cure the nonconformity when the time for performance has not yet expired or when the seller had a reasonable belief that the nonconforming things would be acceptable to the buyer. In such a case the seller must give reasonable notice of his intention to cure to the buyer. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2611. When the buyer fails to perform a contract of sale of movable things, the seller, within a reasonable time and in good faith, may resell those things that are still in his possession. In such a case the seller is entitled to recover the difference between the contract price and the resale price. The seller may recover also other damages, less the expenses saved as a result of the buyer's failure to perform.

Unless the things are perishable or subject to rapid decline in value, the seller must give the buyer reasonable notice of the public sale at which the things will be resold, or of his intention to resell the things at a private sale. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2612. When the buyer neglects to take delivery of movable things that are the contractual object the seller may request court authority to put the things out of his possession and at the buyer's risk. The seller must give the buyer notice of the time at which the things will leave possession of the seller. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2613. When, according to the terms of the contract, the seller sends the things to the buyer through a common carrier, the form of the bill of lading determines ownership of the things while in transit.

When the bill of lading makes the things deliverable to the buyer, or to his order, ownership of the things is thereby transferred to the buyer.

When the bill of lading makes the things deliverable to the seller, or to his agent, ownership of the things thereby remains with the seller.

When the seller or his agent remains in possession of a bill of lading that makes the things deliverable to the buyer, or to the buyer's order, the seller thereby reserves the right to retain the things against a claim of the buyer who has not performed his obligations. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2614. The seller may stop delivery of the things in the possession of a carrier or other depositary when he learns that the buyer will not perform the obligations arising from the contract of sale or is insolvent. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2615. In an action for judicial dissolution of a sale of movable things the court must grant dissolution, upon proof of the defendant's failure to perform, without allowing that party any additional time to render performance. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2616. When the contract requires the seller to ship the things through a carrier, but does not require him to deliver the things at any particular destination, the risk of loss is transferred to the buyer upon delivery of the things to the carrier, regardless of the form of the bill of lading.

When the contract of sale requires the seller to deliver the things at a particular destination, the risk of loss is transferred to the buyer when the things, while in possession of the carrier, are duly tendered to the buyer at the place of destination.

When the parties incorporate well established commercial symbols into their contract, the risk of loss is transferred in accordance with the customary understanding of such symbols. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2617. In all cases where the parties have agreed that the seller will obtain a document showing that the things have been delivered to a carrier or a depositary the buyer must make payment against tender of that document and others as required. The seller may not tender, nor may the buyer demand, delivery of the things in lieu of the documents. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2618-2619. [Reserved]

CHAPTER 14 - AGREEMENTS PREPARATORY TO THE SALE

SECTION 1 - OPTION

Art. 2620. An option to buy, or an option to sell, is a contract whereby a party gives to another the right to accept an offer to sell, or to buy, a thing within a stipulated time.

An option must set forth the thing and the price, and meet the formal requirements of the sale it contemplates. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2621. The acceptance or rejection of an offer contained in an option is effective when received by the grantor. Upon such an acceptance the parties are bound by a contract to sell.

Rejection of the offer contained in an option terminates the option but a counteroffer does not. [Amended by Acts 1960, No. 30, §1, eff. Jan. 1, 1961; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2622. The assignor of an option to buy a thing warrants the existence of that option, but does not warrant that the person who granted it can be required to make a final sale.

If, upon exercise of the option, the person who granted it fails to make a final sale, the assignee has against the assignor the same rights as a buyer without warranty has against the seller. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

SECTION 2 - CONTRACT TO SELL

Art. 2623. An agreement whereby one party promises to sell and the other promises to buy a thing at a later time, or upon the happening of a condition, or upon performance of some obligation by either party, is a bilateral promise of sale or contract to sell. Such an agreement gives either party the right to demand specific performance.

A contract to sell must set forth the thing and the price, and meet the formal requirements of the sale it contemplates. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2624. A sum given by the buyer to the seller in connection with a contract to sell is regarded to be a deposit on account of the price, unless the parties have expressly provided otherwise.

If the parties stipulate that a sum given by the buyer to the seller is earnest money, either party may recede from the contract, but the buyer who chooses to recede must forfeit the earnest money, and the seller who so chooses must return the earnest money plus an equal amount.

When earnest money has been given and a party fails to perform for reasons other than a fortuitous event, that party will be regarded as receding from the contract. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

SECTION 3 - RIGHT OF FIRST REFUSAL

Art. 2625. A party may agree that he will not sell a certain thing without first offering it to a certain person. The right given to the latter in such a case is a right of first refusal that may be enforced by specific performance. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2626. The grantor of a right of first refusal may not sell to another person unless he has offered to sell the thing to the holder of the right on the same terms, or on those specified when the right was granted if the parties have so agreed. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

SECTION 4 - EFFECTS

Art. 2627. Unless otherwise agreed, an offer to sell the thing to the holder of a right of first refusal must be accepted within ten days from the time it is received if the thing is movable, and within thirty days from that time if the thing is immovable.

Unless the grantor concludes a final sale, or a contract to sell, with a third person within six months, the right of first refusal subsists in the grantee who failed to exercise it when an offer was made to him. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2628. An option or a right of first refusal that concerns an immovable thing may not be granted for a term longer than ten years. If a longer time for an option or a right of first refusal has been stipulated in a contract, that time shall be reduced to ten years. Nevertheless, if the option or right of first refusal is granted in connection with a contract that gives rise to obligations of continuous or periodic performance, an option or a right of first refusal may be granted for as long a period as required for the performance of those obligations. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995; Acts 2003, No. 1005, §1, eff. July 2, 2003]

Art. 2629. An option, right of first refusal, or contract to sell that involves immovable property is effective against third persons only from the time the instrument that contains it is filed for registry in the parish where the immovable is located.

An option, right of first refusal, or contract to sell that involves movable property is effective against third persons who, at the time of acquisition of a conflicting right, had actual knowledge of that transaction. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2630. The right to exercise an option and the right of first refusal are indivisible. When either of such rights belongs to more than one person all of them must exercise the right. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Arts. 2631-2641. [Reserved]

CHAPTER 15 - ASSIGNMENT OF RIGHTS

Art. 2642. All rights may be assigned, with the exception of those pertaining to obligations that are strictly personal. The assignee is subrogated to the rights of the assignor against the debtor. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2643. The assignment of a right is effective against the debtor and third persons only from the time the debtor has actual knowledge, or has been given notice of the assignment.

If a partial assignment unreasonably increases the burden of the debtor he may recover from either the assignor or the assignee a reasonable amount for the increased burden. [Acts 1984, No. 921, §1; Acts 1985, No. 97, §1; Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2644. When the debtor, without knowledge or notice of the assignment, renders performance to the assignor, such performance extinguishes the obligation of the debtor and is effective against the assignee and third persons. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2645. The assignment of a right includes its accessories such as security rights. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2646. The assignor of a right warrants its existence at the time of the assignment.

The assignor does not warrant the solvency of the debtor, however, unless he has agreed to give such a warranty. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2647. [Reserved]

Art. 2648. An assignor who warrants the solvency of the debtor warrants that solvency at the time of the assignment only and, in the absence of agreement to the contrary, does not warrant the future solvency of the debtor. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2649. When the assignor of a right did not warrant the solvency of the debtor but knew of his insolvency, the assignee without such knowledge may obtain rescission of the contract. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2650. A person who assigns his right in the estate of a deceased person, without specifying any assets, warrants only his right of succession as heir or legatee. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2651. [Reserved]

Art. 2652. When a litigious right is assigned, the debtor may extinguish his obligation by paying to the assignee the price the assignee paid for the assignment, with interest from the time of the assignment.

A right is litigious, for that purpose, when it is contested in a suit already filed.

Nevertheless, the debtor may not thus extinguish his obligation when the assignment has been made to a co-owner of the assigned right, or to a possessor of the thing subject to the litigious right. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2653. A right cannot be assigned when the contract from which it arises prohibits the assignment of that right. Such a prohibition has no effect against an assignee who has no knowledge of its existence. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2654. The assignor of a right must deliver to the assignee all documents in his possession that evidence the right. Nevertheless, a failure by the assignor to deliver such documents does not affect the validity of the assignment.

When a right is assigned only in part, the assignor may give the assignee an original or a copy of such documents. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

CHAPTER 16 - OF THE GIVING IN PAYMENT

Art. 2655. Giving in payment is a contract whereby an obligor gives a thing to the obligee, who accepts it in payment of a debt. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2656. Delivery of the thing is essential to the perfection of a giving in payment. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2657. An obligor may give a thing to the obligee in partial payment of a debt.

A giving in partial payment extinguishes the debt in the amount intended by the parties. If the parties' intent concerning the amount of the partial extinguishment cannot be ascertained, it is presumed that they intended to extinguish the debt in the amount of the fair market value of the thing given in partial payment. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2658. [Reserved]

Art. 2659. The giving in payment is governed by the rules of the contract of sale, with the differences provided for in this Chapter. [Acts 1993, No. 841, §1, eff. Jan. 1, 1995]

Art. 2345. A separate or community obligation may be satisfied during the community property regime from community property and from the separate property of the spouse who incurred the obligation. [Acts 1979, No. 709, §1]