

Law

No. 7850, dated 29.07.1994

FOR THE CIVIL CODE OF THE REPUBLIC OF ALBANIA

Based in Article 16 of Law No. 7491, dated 29.04.1991, "For the Main Constitutional Provisions," upon proposal of Council of Ministers,

THE PEOPLE'S ASSEMBLY OF REPUBLIC OF ALBANIA

DECIDED:

PART I GENERAL PART

TITLE I THE SUBJECTS OF THE CIVIL LAW

CHAPTER I - PHYSICAL PERSONS

A. Legal Capacity

Article 1 (scope)

Every physical person enjoys full and equal capacity to have civil rights and obligations, within the limits defined by law.

Article 2 (terms)

The legal capacity starts with the birth of the person alive and ends with his death. The child, when he is born alive enjoys legal capacity since the moment of the conception.

Article 3 (foreigners)

Foreigners enjoy the same rights and obligations as those recognized to Albanian citizens, except the exceptions provided for by law.

Article 4 (limitations)

The civil rights of the physical persons cannot be limited, except the exceptions defined by law. The legal transaction that limits the legal capacity of a physical person is invalid.

B. Right of Name

Article 5

Every physical person has the right and obligation to have his name and surname, which are given according to the law. The person, to whom it is denied the right of their use or it is infringed by the unjust use that others make of his name, may seek at the court the use of his name or surname, the end of the infringement, and the remuneration of the respective damages.

This request may be submitted even by persons who, although do not keep the name or surname infringed, or unjustly used, have family interests worthy to be protected.

The court, when it accepts the lawsuit, orders the publication of the decision in the Official Gazette. Upon request of the plaintiff the court may order the publication of its decision even in other newspapers. The pseudonym used by the physical person enjoys the same protection.

C. Capacity to Act

Article 6

The person at the age of eighteen years acquires full capacity to have rights and undertake civil obligations through his transactions.

Upon marriage, even the woman under eighteen years old gains full capacity to act. She does not lose this capacity even if the marriage is declared invalid or is dissolved before she becomes eighteen years old.

Article 7

The minor who has reached fourteen years old may perform legal transactions only upon prior approval of his legal representative. Nevertheless, he may participate in social organizations, dispose the earnings from his work, deposit his savings, and dispose these deposits himself.

Article 8

The minor who has not reached fourteen years old is incapable to act. He may perform legal transactions that fit his age, and are fulfilled in moment, as well as legal transactions that bring benefits without any compensation. All other legal transactions are performed on his behalf by the legal representative.

Article 9

A minor between the age of fourteen and eighteen years old, who is incapable to care of his own affairs because of a psychic disease or being mentally handicapped, upon a court decision may lose the capacity to perform legal transactions. These transactions may be performed only through his legal representative.

Article 10

The mature person, who because of a psychic disease or mental handicap, is completely or partially incapable to care of his affairs, upon a court decision may lose partially or totally the capacity to perform legal transactions.

Article 11

The legal transaction that limits the capacity to act is invalid.

C. Residence and Residing Place

Article 12

Residence is the place where a person stays usually or most of the time, because of his work or permanent service, his property location, or the fulfillment of his interests.

Every mature person has the right to freely choose his residence. The person cannot possess at the same time more than one residence.

This provision is not applicable to the residence of a merchant's activity .

Article 13

The minor who has not reached the age of fourteen years has for residence the residence of his parents.

If the parents have different residences, their child under fourteen years old has for residence the residence of the parent with whom he lives.

The person who has lost the capacity to act, and the children under tutorship have for residence the residence of their legal representative.

Article 14

The residing place of a person is the place where he is situated to perform a job or other tasks, to attend a defined school or course, to receive medical treatment, to endure the penal punishment, and other cases of this nature.

D. Declaration of Death and Disappearance of a Person

Article 15

The person who is missing from his last residence or residing place, and for whom there are no news for more than two years, upon request of any interested person may be declared disappeared upon a decision of the court.

If the day of the last news cannot be defined, the above term starts from the first day of the month successor to the one during which there are received the last news. If the month cannot be defined, the term starts on January 1 of the coming year.

Article 16

Upon the declaration of the disappearance of a person there is appointed a tutor for the administration of his property.

The decision of the court by which a person is declared disappeared is published in the Official Gazette, and is sent for registration to the respective registry office.

Article 17

The person who is declared disappeared, upon request of every interested person may be declared dead by a decision of the court, if there are passed four years without news from the date that he was declared disappeared.

Article 18

The person lost in military actions, and this loose is verified by the competent military authorities, if there have passed two years without news from the date the peace agreement became effective, or three years from the end of the military actions, he may be declared dead by the decision of the court, without the necessity to first declare him disappeared.

Article 19

The person lost during a natural disaster or in circumstances which make believe that he is dead, may be declared dead by the decision of court when there have passed two years from the day of disaster without news, without the necessity to first declare him disappeared.

If the day of the disaster is not defined, the two year term starts on the first day of the month after the one in which the disaster took place, and if it may not be defined neither the month, the term starts on the first day of January of the coming year.

Article 20

When two or more persons have died, and it can not be proved who did die first, then for legal effect, it is considered that they died all at the same time.

Article 21

When the death of a disappeared person is declared, it is defined the date when this happened. When this date may not be verified exactly, the court decides it according to the rules provided for by the articles of this Code.

Upon request of every interested party, the court that has given the decision may change the date of death when it is verified that the person has died in another date.

Article 22

The death declared by the decision of the court is equal in all legal consequences to the real death.

The decision of court by which a person is declared dead is published in the Official Gazette, and it is sent for registration to the respective registry office.

Article 23

When it comes to light that the person declared dead is alive, upon his or every interested person's request, the decision is repealed by the court that has given it.

The person who results alive is entitled to require his property and the property gained using it even from third persons who have gained this property from the persons to whom the property was transferred because of his death declaration, within the limits and conditions set forth by this Code and Family Code.

CHAPTER II - LEGAL ENTITIES

A. General Provisions

Article 24 Content of the Legal Entity

Legal entities are public and private.

Article 25

Public legal entities are the state institutions and enterprises which are self financed or financed from the state budget, as well as other public entities recognized by the law as legal entities. State institutions and entities which do not have economic purposes are not registered.

Article 26

Private legal entities are companies, associations, foundations, and other entities of private character which acquire legal personality in the manner provided for by law.

Article 27 Name of the Legal Entity

The legal entity has its own full and abbreviated name. The name of every company or other organization that exercises economic activity is its firm, which must especially express the intention of this activity.

Article 28 Center of the Legal Entity

The center of the legal entity is situated where its directing body is located, except for cases otherwise provided for in the charter or the incorporation act.

Article 29 Capacity of the Legal Entity

The legal entity has the capacity to gain rights and undertake civil obligations from the moment of its establishment and, if according to the law it must be registered, from the moment of registration.

Article 30

The legal entity may perform every transaction allowed by law, in the incorporation act or in the charter.

Article 31

The legal entity acts through its bodies provided for by law, the incorporation act, or the charter, which expresses its will.

The legal transactions performed by the bodies of legal entity, within their competencies, are considered performed by the legal entity itself.

Article 32 Liability of the Legal Entity

The legal entity is liable for the damages caused by its bodies during the fulfillment of their duties.

The legal entity is responsible for its obligations within limits of its property.

The persons who have acted in the quality of the body of the legal entity, have personal liability for the remuneration of damages caused with their fault.

Article 33

The state and state legal entities are not responsible for the obligations of each-other, except for cases when this is accepted by them or it is explicitly provided for by law.

Article 34 End of the Legal Entity

The legal entity ends according to the manner defined in the incorporation act, the charter or the law.

Article 35

With the end, the legal entity ceases its activity and it is put under liquidation.

Article 36

The exceed of rights and obligations in case of the end of the legal entity, for which it is required registration, brings consequences from the time of registration.

When registration is not required, the exceed of rights and obligations in the case defined by the above paragraph, brings consequences from the time of the approval of the respective balance-sheet, in the manner provided for by law, from the respective body that has established it, or the charter.

Article 37 Liquidation of the Legal Entity

The liquidation of the legal entity that has ended is made by the fulfillment of rights and the payment of obligations from liquidates appointed by the body that has decided its end.

The Commission makes the liquidation in conformity with the respective legal provisions, the charter, or the incorporation act.

Article 38

When the legal entity ends because it has exercised illegal activity, the remaining property after the liquidation goes to state.

The liquidation of the legal entity that goes bankrupt is regulated by law.

B. Associations

Article 39 Establishment of Associations

Associations are social organizations that pursue political, scientific, cultural, religious, charitable, or any other non-profit goals.

Article 40

The will of the founding members is expressed in the statute of the association, which must be in writing and must contain in particular:

- a) the name and purpose of the association, its center, and territory where it will conduct its activity;
- b) the conditions of admission and removal of members, as well as their obligations and rights;

- c) the management organs of the association, the manner of their establishment, and their competencies;
- ç) the terms, the manner of notification, and competencies of general meetings and the delegates;
- d) the sources of funding, as well as the contributions and dues which are required from each member.
- dh) the manner in which the statute is amended and the association is terminated.

Article 41

After a meeting of the founders has approved the statute and established its managing organ, the association must file a request for registration at the district court of the district where the association will center its activity.

The court checks statute for its conformity with law.

Article 42

The association is recognized as legal entity as of the date the competent court has approved and registered it. Until this date, the founders of the association may perform the acts that are necessary for its organization, such as summoning members, holding meetings of the founders, and establishing management organs.

Article 43

The associations can have their branches in those districts, communes or cities where they have the number of members foreseen in their statute.

Article 44 Organization of the Association

The general meeting of the members, or their representatives, is the highest organ of association.

It is called by the managing organ in accordance with the respective provisions of the statute, and when it is demanded by 1 /5 of its members.

Article 45

The general meeting decides upon the admission or expulsion of members and all other matters not specifically within the jurisdiction of any other organ of association.

In particular, it supervises the collection of income, the actions of the association, and the property of the association.

Article 46

All members of association have an equal vote in the general meeting.

Decisions are taken by the majority vote of the members present at the meeting. To amend the statute of the association, expel a member, or dissolve the association, at least 3/4 of the members must be present at the meeting, unless the statute provides otherwise.

Article 47

The management organ has the right to care for the interests of the association, to protect them, and to represent the association in conformity with the competencies provided in the statute.

Article 48 Membership in the Association

Candidates for membership, who fulfil the necessary conditions, may be admitted at any time.

The right to resign is guaranteed, however, notice of resignation must be presented at least six months before the end of the calendar year, or within the term specified by statute.

Article 49

The membership rights in an association cannot be alienated or transferred by inheritance.

Article 50

The members who have resigned or been expelled from the association have no right to the capital or basic property of the association. However, they do have the obligation to pay dues for the time period in which they were members of the association.

Article 51

Every member has the right to reject any decision of association which is contrary to law or the statute. Members have one month from the day they received notice of the decision to reject it.

Article 52 Dissolution

An association may be dissolved by the following:

- a) a decision of a special session of the general meeting;
- b) the number of members falls below the number specified in the statute, or when its purpose is fulfilled, or it has become impossible to fulfill it;
- c) the association becomes insolvent;
- ç) a competent court decides that the association does not intend to fulfill the purposes specified in the statute or the association has started an illegal activity.

Article 53

When it is determined that an association should be dissolved, its registration is canceled, it ceases its activity, and it placed under liquidation by a commission of liquidation, which is established and acts according to the respective rules in force.

C. Foundations

Article 54 Manner of Formation

The foundation is established to achieve a specific, socially beneficial purpose.

Foundations may be established by physical persons (natural persons) and legal entities, both native and foreign. They are established by a notarized act or by a will.

Article 55

The founders register the statute of the foundation at the district court of the district where the foundation has its center.

The statute describes specifically the names of the founders, the purpose of the foundation, initial capital contributions (cash, vouchers, movable and immovable property), sources and methods of financing, management organs and their competencies, and the names of the administrators.

Article 56

A foundation has a legal personality as of the day of its registration.
Foundations are prohibited from engaging in profitable activities.

Article 57

Prior to the registration or the start of the respective activity, the founders may cancel the statute of the foundation.

Heirs or creditors of the founders may object to the statute of the foundation.

Article 58 Administration of the Foundation

The statute of the foundation defines the organs of the foundation, their method of establishment, and their powers.

Every foundation exercises its activity based on the provisions of legislation in force and its statute.

Article 59

Foundations are supervised by the state institutions that are directly involved in their area of activity.

These state institutions are specifically charged with ensuring that the monetary funds and other property of the foundation are employed in accordance with the purposes of the foundation.

Article 60

The head of the supervising institution has the right to demand in the competent court that the decision of a foundation organ be annulled when it clearly contradicts the relevant purposes or legal provisions or the statute of the foundation.

The court can suspend the execution of this decision until the court renders a final decision.

Article 61

Property disagreements, to which the foundation is a party, are to be resolved in the competent court.

Article 62

A foundation is dissolved:

- a) based on law, when the purpose for which it was established is fulfilled or can no longer be fulfilled;
- b) by the decision of court when is verified that the foundation has started to engage in illegal or immoral activity; The dissolution of a foundation can be sought by the head of the supervising institution or any other interested subject.

Article 63

For properties that remain following the dissolution of a foundation, at the request of the supervising institution or any other interested person, the court decides upon their disposition taking in consideration their uses and the main purpose for which the foundation was created.

TITLE II REPRESENTATION

CHAPTER I - MEANING AND TYPES OF REPRESENTATION

Article 64 Meaning of Representation

With representation, a person (the representative) performs, within the rights given by law, proxy or court, legal transactions on behalf of and in the account of another physical person or legal entity (the represented).

The representation is not permitted when the juridical transaction according to the law must be performed by the person himself.

The person who has not full capacity to act can be not a representative.

Article 65 Limits and Consequences of Representation

The rights of the legal representation are defined by the provisions of the law that gives him this quality, while the right of the representative appointed by the represented are defined by proxy.

The rights of the representative may derive even from the circumstances in which are performed the respective legal transactions.

Article 66

The legal transactions performed by the representative, within the rights given to him, create direct consequences for the represented.

Article 67

The representative can not perform legal transactions on behalf of the represented with himself or other persons represented by him, except when the represented has permitted this explicitly, or when the content of the legal transaction does not infringe his interests.

Article 68

When for the performance of a legal transaction are appointed two or more representatives, each of them may perform the transaction without the participation of the other representatives, except when otherwise provided for in the proxy.

Article 69

The representative is obliged to act personally and he can not appoint a replacement, except when this is allowed by the represented person, the property mentioned in the proxy is situated outside the district where the representative lives, or the appointment of a replacement is considered necessary for the protection of the interests of the represented.

The representative must inform immediately the represented about the replacement he has appointed, otherwise he is responsible for the acts of his replacement.

The replacement may be removed at any time by the represented or the representative who has appointed him.

Article 70 Representation by Proxy

Proxy is the document in which the represented by his free will has defined the character and quantity of rights given to the representative.

Article 71

The proxy is general when the represented has given to the representative the rights to perform various legal transactions related to a number of rights of the represented, except for those explicitly excluded by him.

The proxy is special when the represented has given the representative the right to perform one or more specific legal transactions which are characterized by a common aim.

Article 72

The proxy is always made in a written document.

Every proxy issued to make a contract, which according to law may be made only by a notary act, must be compiled in this form, otherwise it is invalid. Also the proxy to proceed before the courts and other state institutions must be made by a notary act, except when by legal provisions it is permitted to make it by a simple written document.

The proxy on behalf of public or private legal entities may be made even only with the signature of their managers and the respective seal, except when the law requires that the legal transaction be made by a notary act.

Article 73

The proxy to withdraw post dispatches or money from post offices or banks up to a certain amount defined by them, the proxy to take wages and other compensations deriving from labor relations, as well as the proxy to take pensions, aids, or scholarships, may be verified also by:

- a) the administrator of the area or the village dignitary;
- b) the director of the legal entity or its branch, where the represented works or attends the school;
- c) the director of the medical institution where the represented is receiving medical treatment;
- ç) the command of the military unit where the represented serves;
- d) the director of the institution where the represented is kept under arrest or is enduring an imprisonment punishment.

Article 74

Changes to the proxy must be made known to third parties by appropriate means.

In absence of these notices, these changes can not be addressed to third parties, except when it is proved that they knew the changes to the proxy at the time that the legal transaction was performed.

Article 75

The represented may repeal the proxy, and the representative may resign from it at any time. Any different agreement is invalid.

Article 76 Termination of the Proxy

The proxy ends when:

- a) The representative has performed the legal transactions for which the proxy was issued;
- b) The term for which the proxy was issued has ended;
- c) The representative or the represented has died, or one of them has lost the capacity to act;
- ç) The representative or represented legal entity is dissolved;
- d) The represented has repealed the proxy or the representative has resigned from it;

With the end of the proxy the representative, upon request of the represented, must give him back the act of the proxy.

Article 77 Representation After Changes or End of the Proxy

The legal transactions performed by the representative after the changes made to the proxy or after its end, are mandatory for the represented or his heirs, if the third parties with whom the legal transactions are performed were not informed on the changes to the proxy or its end.

Article 78 Representation without Rights

When a legal entity or physical person acts as representative without having this quality, or when the representative has exceeded the rights given to him, the legal transaction performed in these conditions is not mandatory for the person on whose behalf the transaction was performed, except when he has approved it afterwards.

If the approval is not given, the third person in good faith is entitled to claim remuneration from the representative.

TITLE III LEGAL TRANSACTIONS

CHAPTER I - GENERAL PROVISIONS

Article 79 Definition of a Legal Transaction

The legal transaction is the legal expression of the will of the physical person or legal entity, which aims to create, change or cease civil rights and obligations.

The legal transaction may be unilateral or bilateral.

Article 80 Form of the Legal Transaction

The legal transaction may be performed in written, orally, or by any other doubtless expression of will.

The written document may be simple or a notary act.

Article 81

The legal transaction with a written document must be signed by the person who performs

Article 82

The person who does not know, or who because of a disease, or physical disabilities can not sign, charges another person to do so.

The signature of this person must be verified by the notary, explaining the reason for which the person who has performed the legal transaction has not signed himself.

For acts performed in banks or other credit institutions, post or customs offices, the signature of this person is verified by an authorized official of these institutions.

Article 83

The legal transaction for the transfer of ownership on immovable and the real rights on them, must be made by a notary act and registered, otherwise it is not valid.

The legal transaction which is not made in the form required explicitly by law is invalid. In other cases the legal transaction is valid but it can not be proved by witnesses.

Article 84 Conditional Legal Transactions

The legal transaction is conditional if the creation or extinguishment of rights and obligations prescribed in it, depend on an event, which is not known if it will occur.

Article 85

The condition is suspense when the rights and obligations start in case that the event occurs.

The condition is solvable when the rights and obligations get extinguished in case that the event occurs.

Article 86

When the verification of the condition is prevented in bad faith by the party which would benefit from the non-verification, the condition is considered verified.

When the verification of the condition is caused in bad faith by the party which would benefit from its verification, the condition is considered not verified.

Article 87

When the right depending on the verification of the condition is violated or lost because of the acts of the conditional obligated party, this party must remunerate the damage caused in case the condition is verified.

Article 88

The consequences related to the verification of the condition start at the moment the condition is verified, except when from the content of the legal transaction derives that these consequences must start in a previous time.

Article 89 Legal Transactions with Term

The term of the legal transaction is the defined moment from which starts or ends the legal power or some of its effects.

Article 90

The term is suspensive when in the legal transaction it is defined that its consequences start from a defined moment.

The term is resolutive when in the legal transaction it is defined that its consequences end at a defined moment.

Article 91 Calculation of the Legal Transactions Terms

When the term is defined in days, the day when the event occurs or the time from which it must start are not calculated.

The term defined in weeks, months or years ends with the termination of that day of the last week or the last month which has the same name or number as the day when the term started. When such a day lacks in the last month, the term ends with the end of the last day of that month.

When the last day of the term is a holiday, the term ends at the next working day after the holiday.

CHAPTER II - INVALIDITY OF LEGAL TRANSACTIONS

Article 92 Invalid Legal Transactions

Invalid legal transactions do not create any legal consequence. Such are the ones which:

- a) come against an imperative legal provision;
- b) are performed to defraud the law;
- c) are performed by minors under the age of fourteen;
- d) are made in agreement between parties not for the purpose of creating legal consequences (fictitious or simulative);

Article 93

When a legal transaction is performed with the purpose of covering another legal transaction, the latter is valid if it fulfils all the necessary conditions for its validity.

The simulative or fictitious legal transaction does not damage third parties which have gained rights from it in good faith.

Article 94 Legal Transactions Declared Invalid

The legal transactions which are valid until the court, upon request of the interested, declares them invalid are considered void. Such are the legal transactions performed by:

- a) minors above fourteen years old, when they have performed the legal transaction without the parents or tutor's consent.
- b) persons who because of psychic diseases or mental handicaps have lost or have a limited capacity to act, when they have performed the legal transaction without the tutor's consent.
- c) persons who at the moment of the performance of the legal transaction were not conscious of the importance of their acts, regardless of the fact that at the time they had not lost the capacity to act;
- ç) the person who has performed the legal transaction because he was defrauded, threatened, mistaken, or because of great necessity.

The annulment of these acts may be requested even after the death of the respective person, provided that before death it has been requested the loss of his capacity to act.

Article 95

The defraud may cause the declaration of a legal transaction invalid, if without the lie used by one of the parties to induce in error the other party, the latter would have not performed the legal transaction.

When the defraud is made by a third party, the defrauded party may request the declaration of the invalidity of the legal transaction only when at the time of its performance the other party knew or should have known about the defraud.

Article 96

The threaten may cause the declaration of the legal transaction invalid, when it frightens the person that he, his spouse, his successors, or his predecessors will suffer grave and unjust physical and material damages.

The threaten may be committed even by a third person who does not participate in the legal transaction.

Article 97

The mistake may cause the declaration of the legal transaction invalid only if it is related to the quality of the thing, the identity, or qualities of the other person, or such essential circumstances without which the party would not have performed the legal transaction.

Article 98

The mistake in calculations does not cause the declaration of the legal transaction invalid, but only its correction, except when the mistake in quantity has been decisive for this agreement.

Article 99

The legal transaction may be declared invalid if because of the great necessity, the obligations of one party are minor in comparison to the profits gained by the other party from the legal transaction.

Article 100

The legal transaction performed by the representative may be declared invalid upon request of the represented, if the will of the representative is compromised

When the vice has to do with elements defined by the represented, the legal transaction may be declared invalid only if the will of the latter is compromised.

Article 101

When in the legal transaction it is important the definition of the bad faith or good faith, knowledge or ignorance of certain circumstances which compose decisive valid or invalid conditions of the legal transaction, it is taken into consideration the representative, unless it is referred to circumstances defined by the represented.

The represented in bad faith may not in any case benefit from the ignorance or the good faith of the representative.

Article 102

The legal transaction performed in harm of the represented because of a bad faith agreement between the representative and a third party may be declared invalid for the represented.

Article 103 The Statute of Limitation of the Law Suit

The law suit to request the invalidity of a legal transaction is prescribed within five years.

Article 104

The term to bring a law suit starts:

- a) for legal transactions performed by persons that have lost or have had a limited legal capacity to act, from the day they have become mature, or they have acquired the capacity to act;
- b) for legal transactions performed under defraud, threat, or mistake, from the day the defraud or the mistake were revealed, or the threat has ended, but in any case not more than three years from the day the legal transaction was performed;
- c) in other cases, from the day the legal transaction was performed.

Article 105

The legal transaction declared invalid is considered as such from the moment it was performed.

Article 106 Consequences of the Invalidity of the Legal Transaction

When the legal transaction is invalid because it comes against the law, or it is done with the aim of defrauding the law, everything that the parties have given to each-other is taken and passed in the income of the state and if it is not possible to get the same thing, it is required its value.

When one of parties has acted in good faith, the court may decide to return to the party everything it has given, and if it is not possible to must decide the payment to the party of its value.

Article 107

When the legal transaction is declared invalid because it is performed by defraud, threat, great necessity, or because it lacks the form required by the law, each party must return to the other party everything taken, and if it is not possible to return the same thing, it must be paid its value.

Article 108

When the legal transaction is ascertained to be invalid because it is performed by a minor who has not reached the age of fourteen, or is declared invalid because it is performed by a minor who has reached the age of fourteen but without the consent of his parent or tutor, each of the parties is bound to return to the other party everything taken from it, and if it is not possible to return the same thing, to pay its value. Besides this, the party that has capacity to act is bound to remunerate the minor for the damage caused because the legal transaction is ascertained to be or is declared invalid.

Article 109

When the legal transaction is declared invalid because it is performed by a person who has lost completely the capacity to act, or because it is performed by a person with a limited capacity to act and without the consent of his tutor, or because it is performed by person who in the moment of the performance of the legal transaction did not have the conscience of the importance of his acts, each of the parties is bound to return everything taken from the other party, and if it is not possible to return the same thing, to pay its

value. Besides this, the party that had capacity to act is bound to remunerate the other party for the damage caused because of the legal transaction declared invalid, in case it knew or should have known that the other party without capacity to act, did not have the conscience of the importance of its acts.

Article 110

When the legal transaction is declared invalid because one of the parties was in error, each of the parties is bound to return to the other party every thing taken from it, and if it is not possible to return the same thing, it must pay its value. Beside this, the party which has requested the invalidity of the legal transaction is bound to remunerate the other party for the damage caused because the legal transaction was declared invalid, except when it proves that it was not its fault that the other party fell into error, or that the other party knew or should have known about the error.

Article 111

When the cause of the invalidity effects only a part of the legal transaction, the transaction remains valid in its other parts, unless based in the content of the legal transaction these parts represent indivisible relations with the invalid part of the legal transaction.

TITLE IV PRESCRIPTION OF THE LAW SUIT AND DECADENCE OF RIGHTS

CHAPTER I - GENERAL PROVISIONS

Article 112 Content

The right to sue that is not exercised within the term defined by law ends, and cannot be realized any longer by the court or any other competent body.

Article 113 Law Suits that cannot be Prescribed

There are not prescribed:

- a) the law suit to reinstate or protect a personal right, except for exclusions provided for by law;
- b) law suits for recognition;
- c) the law suit for division between co-owners;
- ç) the law suit receiving back the amounts deposited in bank;
- d) other law suits provided for by specific legal provisions;

There are not prescribed neither the requests for the obligatory execution of decisions linked to law suits, for which is not applied the statute of limitation.

Article 114 Statute of Limitation

When it is not differently provided for by law, all law suits between legal entities, between them and physical persons, and between physical persons are prescribed within ten years.

Article 115

There are prescribed within the terms of laws.

- a) six months the law suits for the payment of assessing bails;
- b) one year the law suits deriving from transportation contracts;

- c) six months the law suits deriving from the direct transport of goods and travelers by railway, vehicles, or airplanes, and one year for the same law suits deriving from maritime or the mixed transportation;
- c) two years the law suits for the payment of compensation in insurance and reinsurance contracts, and the respective amount deriving from the mandatory insurance;
- d) three years the law suits for the rent payment of domiciles, shops, bars, and other immovable property;
- dh) three years the law suits for compensation on torts, and the law suits for the return of unfair property profit;

The other law suits are prescribed within the special terms defined in this Code or in other

Article 116

It is invalid the agreement of parties to change the statutes of limitation, and any other provision of this chapter.

Article 117

The statute of limitation starts from the day when the subject gains the right to sue.

Article 118

In the contractual obligations signed with an execution term, the statute of limitation starts from the day when this term is completed.

When the obligation is composed of periodical payments, for each of them the statutes of limitation start separately.

For contractual obligations without terms, and for obligations which are executed upon request of the creditor, the statute of limitation starts from the day when the obligation is created.

Article 119

For the claim of the thing, the statute of limitation starts from the day when the owner was informed or should have been informed of its right's infringement or infringe.

Article 120

For claiming the compensation of torts, the statute of limitation starts from the day when the harmed person was informed or should have been informed of the damage incurred, and the person who has caused it.

Article 121

For the return of the amount of money or the thing that is gained or saved without cause (unfairly), the statute of limitation starts from the day when the harmed person was informed or should have been informed of the unfair gain or saving made by the respective person.

Article 122

For claiming inheritance, the statute of limitation starts from the day the will is opened.

Article 123

For the action of revendication the statute of limitation starts from the day when the plaintiff has paid voluntarily, on basis of a legal or contractual obligation, to a third person, because of the fault of the defendant, the amount of money or value of the thing requested by this law suit, or from the day when it is given the decision of the respective court or arbitration from which has derived the action of revendication.

Article 124

The prescription of the action for the main request causes the prescription of the other actions for the requests deriving from it, despite the fact that for these it has not ended yet the respective term.

Article 125 The Request of the Interested Party

The completed prescription may not be taken into consideration from the court or the other competent body upon their own initiative, but only upon request of the interested party.

Article 126 Resignation from Prescription

The resignation from prescription is allowed only after its term is fulfilled.

Article 127

The claim that the statute of limitation is fulfilled may be exercised even by the creditors and any one interested, in cases when the respective party has exercised it itself.

Article 128 Fulfillment of the Obligation after Term's Completion

The debtor who has fulfilled his obligation after the completion of the statute of limitation may not request the return of the amount of money or the thing, given by him voluntarily, even if he did not know that the statute of limitation was fulfilled.

CHAPTER II - SUSPENSION AND INTERRUPTION OF PRESCRIPTION

A. Suspension of Prescription

Article 129

The prescription is suspended:

- a) between spouses until the day when the judicial decision by which the marriage is dissolved becomes final;
- b) between children and their parents until the latter exercise the parental right;
- c) between persons who are under tutorship and their tutors as long as the tutorship continues;
- g) for actions of persons, whose property is put under administration, against the respective administrators appointed by the court or any other competent state authority, until the final report of accounts is approved;

- d) for actions of minors and other persons who have no capacity to act until the appointment of their representative or until they acquire this capacity, as well as for six months after the day when their representative is appointed or they have acquired the capacity to act;
- dh) for actions of legal entities against their administrators as long as they hold these positions there;
- e) for action with issue the respective compensation, derived from health harm or cause of death, the suspension of prescription starts from the day when it is submitted the request to the state social security authority until the day when the pension is fixed or the request is refused;
- è) in cases of force majeure.

Article 130

The suspension period is not calculated in the statute of limitation. When, after the extinguishment of the suspense cause, the time remaining for the completion of the statute of limitation is less than six months, then it is extended to six months.

Article 131 Interruption of Prescription

The prescription is interrupted:

- a) by any act of the obligated legal entity or physical person which expresses the exact and full recognition of the creditor's right;
- b) by the submission of an action, counter action, or recession, even to a court or arbitration which is not competent for the examination of the case from the subject or territorial point of view;
- c) by any act which delays the debtor;
- ç) by the submission of the request for the mandatory execution of the judicial decision or the appropriate arbitration, or any other executive title.

Article 132

The interrupted prescription against one of the co-debtors or one of the spouses of an indivisible obligation, is extended even to each of the other debtors.

Article 133

The interrupted prescription against the main debtor is extended even to the respective guarantor.

Article 134

The period passed before it was verified the interrupting cause is not calculated, and after the extinguishment of this cause it starts a new prescription term.

Article 135

When the prescription is interrupted because an action or counteraction is filed, the new statute of limitation starts from the day when the final decision to solve the case is given.

When it is decided the overturn of the action without solving the case in its essentials, or the cessation of the case judgement, the prescription is not considered interrupted.

Article 136 Calculation of Statute of Limitation

The statute of limitation, defined in weeks, months, or years ends by the end of that day of the last week or the last month that has the same name or number with that of the day in which the statute of limitation has started, and when such a day lacks in the last month, the statute of limitation ends by the last day of this month.

When the last day of the statute of limitation is a holiday, it is considered the last day the working day after that of holiday.

CHAPTER III

PRECLUSIVITY (Decadence)

Article 137

When a right must be exercised within the preclusive term, the provisions which regulate the interruption of the prescription are not applied. Neither there are applied the suspense causes, except for exceptional cases when the law itself permits the suspension of the preclusive term.

Article 138

Any agreement in which are defined preclusive terms that make it very difficult for one of the parties to exercise its respective right is not valid.

Article 139

The parties may not change the legal orders that regulate the preclusivity, neither may they renounce from the preclusive term completed, when this term is defined by specific legal provisions.

Article 140

The completed preclusive term is taken into consideration from the court or the arbitration upon their own initiative, even if it is not requested from the interested party.

PART II OBJECTS AND OWNERSHIP

TITLE I OBJECTS

Article 141 Juridical Meaning of Thing

A thing is everything that may compose a property object or other real rights.

Article 142 Types of Things

Things are movable and immovable.

Immovable things are the land, the water sources and flaws, trees, buildings, other floating buildings attached to land, and anything which is affixed permanently and continuously to the land or building.

All other things, including any type of natural energy, are movable things.

Article 143

The provisions related to immovable are also applicable to real rights on immovable, as well as the respective law suits, except when otherwise provided for by law.

The provisions related to movables are also applicable to all other rights.

Article 144 Registration of Things

Immovable and the real rights on them shall be registered in the immovable property registries. There must be registered even movables for which registration is required explicitly by law.

Article 145 Fruits of the Thing

The natural fruits of a thing are the products deriving from it.

As long as these fruits are not separated from the thing, they are component parts of it.

The civil fruits come from the things as a result of the rights enjoyment that persons have on the things.

The civil fruits shall be gained in the basis of the rights duration, and when they may be claimed.

Article 146 Component Parts of the Thing

A component part of a thing is anything attached to it that cannot be separated from it without causing essential damage.

Article 147 Accessory Things

Accessories are the movables intended to serve continuously to a principal thing, or improve its appearance.

This destination is defined by the owner of the principal thing or a person who has real rights on it.

Article 148

Every possession of the principal thing includes also its accessories, except when otherwise provided for by law.

The accessories may also be subject to separate possession.

The accessory does not lose this feature when it is temporarily separated from the principal thing.

TITLE II - OWNERSHIP

CHAPTER I - GENERAL PROVISIONS

Article 149 Content of the Ownership

Ownership is the right to enjoy and dispose of things freely, within the limits established by law.

Article 150 Ownership of the Component Parts of the Thing

To the owner of the thing belongs the ownership of the component parts as well.

Article 151 Ownership of the Fruits of the Thing

Natural fruits belong to the owner of the thing that has produced them, unless their ownership is attributed to the others. In this latter case ownership is acquired upon separation.

One who appropriates the fruits must within the limits of their value reimburse whoever incurred expenses in their production and gathering.

Article 152 Belonging of Things

Things belong to the individuals, legal bodies and the state.
The kinds of public property are determined by law.

Article 153

None can be deprived totally or partially from the ownership of his things, except when such thing is demanded from the legal public interests, and always towards an advance and full reward.

Article 154

Ownership of soil extends to the airspace and subsoil at the extent that is necessary for its exercise according to the conditions provided by law.

Article 155

He over whose land the branches of the neighbor's trees protrude can at any time require him to cut them, and he himself can cut the roots that penetrate into his land if they cause damage, as well as gather the fruits and use them for himself.

The fruits that fall from the trees on the land, belong to the owner of the land where they have fallen.

Article 156

The owner of a land that is close to a water flow or public fountain, has the right to use them on the measure that it does not harm the interests of the owners of the other lands, unless the use of them is regulated by special provisions.

Article 157

The owner of a land can ask at any time to the owner of the neighboring land, that with common expenses, are settled at the borders of their lands, distinguishable signs, or when this already exist, to restore them when damaged.

when the border between the two neighboring lands, is unclear, and the owners can not establish it themselves, each of them can ask for its precision by the courts.

Article 158

When trees or bushes are planted on adjoining lands, the owners are obliged to keep the distances provided for by special provisions, in their absence, by local usage, except when the neighboring owner has permitted it himself or when the border is with a public way or water flow.

If neither the one nor the other applies, the distances are: three meters for trees with tall trunks and two for other trees.

The above mentioned distances need not be observed when the trees or bushes are not higher than the wall that serves as a border between the properties.

Article 159

The owner is free to use the thing as it pleases, but without damaging the rights of other people and within the limits provided for by the law and good customs.

He can not cause to the neighbors disturbances like noises, vibrations, intrusion of smoke, steam or other similar diffusions, or to obstruct them from enjoying their properties by changing the streams, flows and quality of the waters that flow on his land or subsoil, and use the waters that communicate freely with those of the other's land, except when these disturbances do not.

The owner during the exercise of his rights, is bound to take measures for the preservation and protection of the environment.

Article 160

The owners should act according to the regulations provided for by the regulating plans or specific provisions, for the construction of the new buildings, for their reconstruction or modification, about the distances between the buildings, about the construction of windows, wells, holes and other constructions of this kind.

Article 161

The owner is bound to gather the waters that fall from the shelter of his building, in such a way that they do not leak at the land of a neighbor.

Their pouring in a public drain can be done when not prohibited by the rules established by the competent bodies.

The owner is bound to take care that the waters and rubbish that comes from his land are not thrown in the channel or on the land of the other, unless a contrary agreement exists between them.

CHAPTER II - THE ACQUISITION AND LOSS OF THE PROPERTY

Article 162 Transfer of the Ownership

The right of the ownership and other rights on the things are transferable, except when prohibited by law or by the nature of the right itself.

Article 163 The Manner of the Acquisition of the Ownership

The ownership can be acquired with the manners provided for by this Code or other manners provided for by special laws.

Article 164 Acquisition of the Ownership by Contract

The ownership can be acquired by contract, without the delivery of the thing being necessary. For things that are defined by number, weight or measure, the delivery must be completed.

Article 165 Acquisition of Ownership by Inheritance

The acquisition of ownership by inheritance is done according to the conditions provided for by the dispositions of part three of this Code.

Article 166 The Acquisition in Good Faith of the Movable Things

The person that through a legal action for the transfer of the property has acquired towards the payment, in a good faith, a movable thing, becomes the owner of the thing, even if the transferor was not in fact the possessor of the thing.

However the person acquiring the property does not become the owner of the thing even if he is in good faith, if the thing is stolen.

The winner of the thing in good faith becomes the owner of the cash or securities to the bearer, even if those have been stolen or lost to the owner or a public legal body.

The provisions above, are not used for the movable things that are registered in the public registers.

The property is acquired free from the rights of the others towards the thing, if these rights do not derive from the title and the good faith of the person acquiring them.

Article 167

If the ownership of a movable thing is transferred through a contract to different persons, the owner becomes the one who has acquired in good faith the possession of the thing, even if the contract was of a later date.

Article 168 Positive Prescription

The person that has acquired a thing in good faith, through a legal transaction for the transfer of the property and that is not prohibited by the law, becomes the owner of this thing, after having possessed without interruptions for five years in case of movables and ten years for the immovable.

When the possession is not in good faith, the terms of the uninterrupted possession, double. The possession is considered continuous even when the person that has acquired the thing has transferred the possession to another person.

It can not be acquired with positive prescription a thing that is a non-transferable public property.

Article 169

A person that has possessed without being disturbed or interrupted as a owner, an immovable property for twenty years becomes its owner.

Article 170 The Registration of the Thing Acquired by Prescription

The person that has acquired by prescription an immovable thing, has the right to sue the former person or his heirs for the recognition of his ownership, and on basis of the respective court decision, to demand the registration of the thing from the competent governmental body.

Article 171 The Suspension and Termination of the Positive Prescription

The provision about the suspension and termination of the charge operate also for the positive prescription.

The positive prescription is terminated on the loss of possession. Is not to be called a termination when the possessor reacquires his possession within six months, or later through a charge within six months.

Article 172 Things Without an Owner

Things without an owner are those that do not have an owner or whose owner has given them up.

Things without an owner belong to the state. Their transfer on the ownership of the state is done through a decision of the competent court.

Article 173 Acquisition of Ownership by Union and Commixtion

Any planting, structure or works existing upon or under the soil belong to the owner of the soil, unless otherwise provided by this Code or other legal provisions.

Article 174

The owner of the soil who has performed construction, planting or works with materials of others shall pay their value, if separation or return is not requested or cannot be done without causing serious damage to the work construed or the planting.

If the separation of the materials is possible and the owner of the land has acted in breach of good faith, must indemnify the owner of the materials for the damage suffered.

Article 175

When the structures, works or planting have been performed by a third person with his materials at the land of the other, the respective owner has the right to keep them or require him who made them to remove them with his own expenses, and when such is the case, to indemnify for the damage caused.

If the owner of the land accepts to keep them, he is Bound to pay the vale of the materials and the labor work or the increase in the value of the property.

The owner of the land can not require the removal of the constructions made with his knowledge or in good faith by a third person, as well as when have been passed six months from the day in which the owner has received notice for these constructions or plantings.

When a building is constructed in good faith in a foreign land, and its value is higher than the value of the land, the owner of the building can be recognized as the owner of the land by decision of the competent court.

Article 176

When two or more movable things that belong to different owners have been united or mixed as to form a single whole and that can not be separated without causing a substantial damage to each other, or when the separation requires exaggerated work and expenses, the owners of each thing become co-owners of the new thing, in proportion with the value of each component at the time of their union or mixing.

When a movable thing is united or mixed in another in such a way that seems to be an additional part of it, the new thing belongs to the owner of the principal part, who is obliged to pay the respective value, and when the case is such to indemnify the damage caused.

Article 177 Acquisition of the Ownership by Elaboration

The owner that with his work has created a new movable thing by using materials owned by another person, not depending on the fact that the material can resume or not its earlier form, becomes the owner of the new thing if the value of the work is greater than that of materials, but on the condition that pays its value.

In a contrary occasion the thing is acquired by the owner of the material, paying the value of the work. When the elaborator has acted in bad faith, the new thing goes to the owner of the material even if the value of the work is higher than the value of the materials, but he has to pay the value of the last.

Article 178 The Union of Land by Alluvion

The increments and supplements of land formed naturally along banks of rivers and streams belong to the owner of the land, unless provided otherwise by laws.

Article 179 Land Abandoned by Running Water

Land abandoned by running water, that gradually withdraws from one of the banks and wears away the other belongs to the owner of the uncovered bank.

Article 180 Land Created in the Bed of Rivers

Islands and accretions of land that are formed in the beds of rivers are public property.

Article 181

If a river or a stream forms a new bed, leaving the old one, this belongs to the adjacent owners of the two banks of the river or the stream" who divide it along the middle of the bed, according to the length of the frontage of each.

THINGS LOST OR FOUND

Article 182 The Notice for Finding a Thing

The person who finds a lost thing, including living beings distracted from the flock, is bound to immediately give notice to the owner or the person that has lost it, and when this is not known, to deliver it to the municipal or district building of the territory in which the thing was found.

The municipality or the commune is bound to immediately announce the thing found

Article 183 The Taking Over of the Thing and the Payment of Expenses

The owner or the person, who has lost the thing has the right to require it within six months from the day that the founding was displayed in the respective municipality or district, after. payment of e expenses for the protection of the thing and a reward for the person finding at, at the measure of 10% of the value of the thing, or the price acquired when according to the circumstances, its sale was indispensable

When there are oppositions for the value of the thing, the disagreement is solved by the court.

The municipality or the commune, can permit the temporary holding of the thing by the person that has found it, who is payed even the expenses for the protection of the thing.

Things lost must be protected and maintained with proper care.

Article 184 Acquisition of Property by the Person that has Found the Thing

When the owner or the person that has lost the thing do not come to take within the term established by article 183, the ownership of the thing or the price of its sale is transferred to the person who finds it, who pays the expenses of the maintenance.

Article 185 Things Found in Premises

Things found in public and private premises vehicles of transport, must be delivered immediately to the administration of the promises where these are found, which saves them for three days. When the owner or the person who lost them does not appear, the administration delivers those in the respective municipality or commune.

Article 186 Treasure

Treasure is every valuable thing, that clearly seems to have been buried in the land or hidden for a long time and whose owner can not be found.

The treasure belongs to the owner of the movable or immovable thing where that is found, except in cases of things with scientific, cultural, archaeological value etc, provided for by article 187 of this Code.

Article 187 State Ownership on a Category of Movable Things

Movable things with cultural, historic, archaeological, ethnographic value, as well as rare natural things with a scientific importance that are discovered, detached or extracted from the soil or water, go under state property.

The owner on whose land these things are discovered, is bound to permit the excavations, being paid the damage suffered.

The person that has discovered or found such things, has right to take from the state a reasonable reward.

Article 188 Acquiring the Property by Occupation

The ownership on the movable abandoned things, as well as on wild animals, fowls, fishes, wild fruits and other movable things of the nature, is acquired by occupation, according to the conditions provided by law or special provisions.

Article 189 Swarms of Bees

The owner of a swarm of bees has the right to follow and take them at the land of another, compensating the damage caused.

When the owner of the bees escaped has not followed them within three days, or when he has entered in another bee-house, the ownership on them goes to the owner of the land where the bees have stopped or the owner of the bee-house.

Article 190 Acquiring the Ownership by Expropriation

Things can be expropriated when public interests protected by law demand it and towards a full and advance reward. They pass on the state ownership or on the ownership of other public entities, on whose favor the expropriation was made.

Article 191 Loss of Ownership

The ownership is lost when it is won by another or when it is given up.

The giving up of an immovable property in favor of another, is valid when done by a notarial act and is registered.

CHAPTER III - THE REGISTRATION OF IMMOVABLE

Article 192

The immovable things and facts regarding their legal position are registered at the registry of the immovable things.

The registration is done on basis of a public act, court decision or decision of any other competent governmental body, as well as in other cases provided by law.

Article 193

There should be registered at the register of immovable properties:

- a) contracts for the transfer of the property of immovable things and the documents of their voluntary division;
- b) contracts by which are formed, recognized, changed or cease, rights of ownership on the immovable, rights of usufruct, use and lodging, emphyteosis and servitut and other real rights;
- c) the documents by which is the withdrawal from the above property rights;
- d) the decisions of the court by which the quality of the heir is recognized and the property inherited is acquired;
- e) the documents by which are created a company or other subjects of right, which have in their ownership immovable property or has real rights on them;
- d)decisions of courts or other competent governmental bodies that respectively contain the acquisition or recognition of the ownership on the immovable things, the division of immovable properties, or that declare invalid the legal actions for the transfer of a property, previously registered regularly, as well as acts of the court regarding execution for the sequestration of the immovable property and their sale by auction.

The judicial verification of fact is not registrable.

Article 194

In the contract of donation of the immovable property, the registration takes the date on which the acceptance is registered, if this is contained in a separate act.

Article 195

The immovable properties and real rights on them that are acquired or been recognized according to the provisions of this Code, can not be alienated and when the case is such, to be burdened, if their registration in the registers of immovable properties, is not made.

Article 196

Courts, notaries, judicial executors and other governmental bodies are bound to send for the registration to the office that administers the register where the immovable property is, copies of the decision or the document that contains the acquisition, recognition, changes, termination of an immovable property right, or a real right on that, or that declare invalid legal actions for the transfer of the property registered before.

Article 197

Should be registered as well:

- a) contract of lending of immovable things for a term of nine years;
- b) charges for acquiring, recognition change or termination of the rights of ownership or other real rights on the immovable property;
- c) charges for division of common immovable property.

Article 198

The Ministry of Justice administers the activity of the public register for the immovable properties.

Conditions, the manner of registration and organization, as well as any other procedure that is connected with such activity, are regulated by a separate law.

TITLE III CO-OWNERSHIP

CHAPTER 1- JOINT TENANCY

Article 199 Definition and Content

There is joint tenancy when one or more things and the other real rights are held jointly by two or more persons.

The shares of the joint tenants are equal, unless it is verified the contrary. The rights and obligations of the joint tenants are defined in proportion with their shares.

Article 200 Rights of Joint Tenants

Each of the joint tenants has these rights:

- (a) to profit from the income derived from the co-owned thing in proportion with his share;
- (b) to use the co-owned thing in accordance with the defined purpose and in such a way as to not inhibit the other joint tenants from using it according to their rights;
- (c) to transfer or dispose his share in the co-owned thing in any other manner, but if it is an immovable, he may sell his share only by respecting the right to first refusal of the other joint tenants according to Article 204 of this Code;
- (ç) to request the division of the co-owned thing even if there exists a contrary agreement, except when this division damages substantially the real purpose or it is forbidden by law;
- (d) to request the restitution not only of his share, but of all of the co-owned thing, provided that it be delivered to all of the joint tenants.

Article 201 Obligations of the Joint Tenant

Each joint tenant is bound to pay the expenses necessary for the protection and enjoyment of the co-owned thing in proportion with his share.

Article 202

When the co-owned thing is used only by one or some of the joint tenants, they are bound to pay the other co-owners a compensation for the use of their shares from the day when the request for this compensation is notified in written, or from the date of the submission of the law suit to the competent court.

Article 203 Administration of the Co-owned Thing

All of the joint tenants, despite the value of their shares, are entitled to participate in the administration of the co-owned thing.

The co-owned thing is administered according to the manner approved by agreement of all of the joint tenants, and if this agreement is not reached, according to the manner defined by decision of the joint tenants who own more than half of its value. The decision of the majority is binding also for the joint tenants remaining in the minority.

This majority may decide to mortgage or pledge the co-owned thing, when this is necessary to secure the repayment of the amounts borrowed for its maintenance and reconstruction.

When a majority is not reached, or when its decision is harmful to the co-owned thing, the competent court, upon request of each joint tenant, decides on the measures deemed necessary and, according to the case, appoints a tutor to administer the thing.

Article 204 The Right to First Refusal

The joint tenant, before selling his share of an immovable to a person who is not a joint tenant, is bound to notify in writing the other joint tenants whether they want to buy his share under the same conditions that he would sell it to a third person. If they do not reply within three months that they want to buy the share, the joint tenant is free to sell his share to a third person.

He (the seller) must make known the new joint tenant to the other joint tenants.

Article 205 The Right of the Creditor on the Share of the Joint Tenant

Each creditor has the right to realize his credit on the share that belongs to the debtor joint tenant in the co-owned thing.

Article 206

The creditors and heirs of any joint tenant may intervene in the division, at with their expenses, but they cannot object to any prior division, except when they have made known their objections before the division.

In the division of an immovable property, the notification of the objections mentioned in the above paragraph, must be registered before the registration of the request for division. Also, in such division there must be notified all of the creditors who have registered their requests, or who have gained rights on the property to be divided prior to the registration of the division act or the registration of the request for division.

Article 207 Division of the Co-owned Thing

The division of the co-owned thing is made by agreement of all of the joint tenants. When the thing is an immovable the agreement must be made through a notary act. If this agreement is not reached, the division of the thing is made by the court, convening before the court all of the joint tenants. The division of the co-owned thing is made with its concrete division based in the shares of the joint tenants, if such division is possible and does not damage the specific purpose of the object. The inequality among the shares resulting from the concrete division is compensated in cash.

When the co-owned thing cannot be divided concretely, the court orders that it be sold in auction and its value be divided among the joint tenants, according to their respective shares, calculating also the sums that they must pay to each-other because of the joint tenancy relationship.

However, instead of the sale in auction, the court, when some of the joint tenants request it, may order that the object be left to them, binding them to pay the joint tenant who requests the division the value of his share, according to the manner and within the deadline defined by the judicial decision.

When the object that can not be divided concretely is a housing unit, the court leaves it in shares, according to the above mentioned conditions, to the joint tenant who lives in that housing unit or has a greater necessity than the others for that living space.

Article 208 The Transfer of the Co-owned Thing

The transfer of the co-owned thing may be made only by agreement of all of the joint tenants.

CHAPTER II - TENANCY IN COMMON

A. The Obligatory Co-ownership

Article 209 Co-owned Objects of Buildings

In the floors or divided units of floors of a building which are in separate ownership of different owners, these objects are in their obligatory co-ownership, unless otherwise determined in the ownership act:

a) the land over which are constructed the building, the foundations of the building, the main walls, internal separating walls, stairs, halls, the roof or terrace, chimneys, and also all those objects of the building that have such character and serve for common use.

b) wells, equipment for water, electricity, gas, telephone, and central heating, including pipes and appropriate lines, and various channels until their bifurcation center within the individual units of floors.

Article 210

The right of each co-tenant on the objects mentioned in the above Article is in proportion with the value of floor or the parts of the floor which belong to him, except when otherwise provided for in the title.

The resignation from the right on the above objects does not release the co-tenant from the obligation to contribute in the maintenance expenses.

Article 211 Indivisibility of the Co-owned Objects

It is not allowed to divide the co-owned objects of buildings, except when the division of one of them may be made without making its use difficult for any of the co-tenants.

Article 212 Composition of the Assembly and Election of the Board

The assembly is composed of the owners of each floor or separate unit of each floor, who have in tenancy in common the co-owned objects of the building.

In the first meeting of the assembly its members elect from the Assembly the board, which is charged with performing on their behalf and account all the necessary operations for the administration and normal maintenance of the co-owned objects, except those operations that are under the exclusive competence of the assembly, as well as represent it in the competent judicial levels and arbitration.

Article 213 Meetings of the Assembly and Validity of Decisions

After the first organizational meeting, the assembly meetings are convened once a year. The other meetings of the assembly may be convened by its board, or upon the initiative of not less than 20% of its members.

The assembly meeting may be opened and take decisions when there are present personally or represented by proxy the co-tenants who have at least two thirds of the total shares. When this number is not present the meeting is postponed, and the next meeting shall be convened if the normal majority of the co-tenants participates.

The decisions of the assembly are taken with a simple co-tenants' majority vote, except in cases when in the provisions of this Chapter or with special provisions it is required a qualified majority. When the number of votes is even, the vote of the chairman is decisive.

Article 214 Main Competencies of the Assembly

The assembly has also the following authorities:

1. it approves the regulations for the administration of the domicile, which is prepared according to the model regulation approved by the Council of Ministers.

2. it creates the reserve fund for common expenses, determining also its annual amount.

3. it approves the estimates of expenses decided to be made during the year, and the division of the sum among the co-tenants.

The common expenses for maintenance, repairs, and normal improvements of these objects are approved by the assembly by a simple majority vote, whereas the expenses for major improvements or essential renovations are decided by a qualified majority vote of the co-tenants reaching at least 75% of the respective shares.

4. it nominates, when deemed indispensable, the tutor of the building defining his authorities and salary.

5. it authorizes the board to insure, within reasonable limits, the objects of co-owned property, as well as make other contracts necessary for the usual maintenance, repairs, and improvements, or, depending on the case, for major improvements or renovations of these objects.

Article 215

The decisions taken by the assembly according to the above provisions are compulsory for all of the co-tenants.

Article 216 Law Suit against Decisions of the Assembly

When a decision of the assembly is illegal or infringes the interests of any of the co-tenants of these objects, each co-tenant is entitled to file a claim in the competent court for the invalidity of the decision, within 30 days from the date it is taken. The filing of the claim does not suspend the decision of the assembly, except when the court decides otherwise.

Article 217 Obligations of Co-tenants

Each of the co-tenants has the following obligations:

1. to pay the expenses for protecting and using (enjoying) the common parts of the building, for performing services in the common benefit, and for the changes decided by the majority of the co-tenants, in proportion with the value of each one's shares, except when there exists a different agreement.

For things that serve to the co-tenants in a certain extent, the expenses are divided in proportion with their use by each of them.

2. not to make on his floor or the divided unit of the floor that is in his ownership, constructions that may damage the co-owned objects of the building.

3. to repair the damages or repay the expenses for its replacement, that he or a member of his family has caused by fault, to any co-owned object.

4. not to perform, without the prior permission of the assembly, on his floor or on the divided unit of the floor that is in his ownership any additions or changes that may effect the outside appearance of the building.

Article 218 New Additions on the Top Floor

The construction over the top floor of the building, of floors or other objects, may be made upon decision of 3/4 of the co-tenants of the building.

Article 219

It is prohibited the issuance of permission to take additions or similar objects on the top floor if the physical conditions of the building do not allow it..

The co-tenants may oppose the permission issued by the competent state body for the construction of additions or similar objects on the top floor, and when it is proved that they decrease the amount of air or light on the lower floors, or effect negatively in the architectural appearance of the building.

Article 220

The persons who have been permitted to construct an addition or other objects on the top floor are bound to reconstruct the terrace, which all or part of the co-tenants were entitled to use.

Article 221 Total or Partial Demolition of the Building

When the building is demolished totally or a part of it which composes not less than 3/4 of its total value, each of the co-tenants may request that the land and materials be sold in auction, except when it is decided otherwise.

When the building is damaged in a lesser extent, the assembly decides on the reconstruction of the common objects of the building, and each of the co-tenants is bound to contribute in proportion with his rights on the objects.

The co-tenant who does not want to participate in the reconstruction of the building, must sell to the other co-tenants or one of them the objects that are owned only by him, according to the valuation that will be made.

B. Joint Tenancy among Members of a Farm Family

Article 222

The ownership on the property of the members of the farm family belongs jointly to its members, who through labor or other rights gained, have contributed in the creation and maintenance of the farm economy.

Article 223

The farm family is composed of the persons who are related by blood, marriage, adoption, or acceptance as family members.

Article 224

The farm family is represented in the property relationships with third parties by the head, who is elected by its members.

Article 225

In the farm family's property are not included the things of simply members' personal use ,as well as things that the member has gained through his personal income, by donation or inheritance.

Article 226

The member of the farm family cannot transfer any share of the farm family property as long as its division is not made.

Article 227

Every member of the farm family may request his share in the farm family property. It is defined taking into consideration especially:

- a) the property that belongs to the whole family;
- b) the number of family members;
- c) his contribution in the establishment or augmentation of the family property based on the quantity or efficiency of this contribution, as well as the work and means given for the establishment and maintenance of the farm economy.

Article 228

The division of the farm family property is made according to the rules defined in Article 207 of this Code.

When one of the members requests his share, his share is valued and paid in cash. When the division is requested by several members of the farm family, with the purpose to create another farm family, the share may be given in kind, provided that the agricultural land remaining to the divided families is not less than the minimum standard for cultivation.

By minimum standard for cultivation is meant the agricultural land that is necessary for the running of a farm economy, according to the natural conditions of the respective area or region.

Article 229

The farm family is responsible for the illegal acts performed by its members during the exercise of functions deriving from the economic activity of the farm family itself.

Article 230

The farm family is not responsible for the personal economic obligations of its members, including its head. The creditors are entitled to get paid from the share that belongs to the debtee member in the farm family income and from the share that belongs to him in the farm family property.

C. Joint Tenancy between Spouses

Article 231

The joint tenancy between spouses is regulated by provisions of the Family Code.

TITLE IV USUFRUCT

CHAPTER I - GENERAL PROVISIONS

Article 232 Content of Usufruct

Usufruct is the right of a person (usufructuror) to enjoy a thing which is in the ownership of another, with the obligation of protecting and maintaining it.

Article 233 Manner of Creation of Usufruct

The usufruct is created by law or legal transaction. It may be gained also by positive prescription.

Article 234 Duration of Usufruct

The usufruct may be with or without term, but in any case it cannot exceed the life of the usufructuror.

When the right of usufruct is enjoyed by a legal person, it cannot be extended to more than 30 years.

Article 235 Manner of Creation

The usufruct created by a legal transaction must be made with a notary act, while when it is gained by will it is acted according to the appropriate provisions.

The usufruct on an immovable property must be registered in the immovable' registries.

Article 236 Joint Usufruct

The usufruct may be in favor of more than one person. When the right of one of them terminates, it passes to the other remaining usufructors in proportion with the shares. It is proceeded in this way until the termination of the right of the last usufructor remained.

CHAPTER II - RIGHTS DERIVING FROM THE USUFRUCT

Article 237 Limits of Enjoying the Thing in Usufruct

The usufructory enjoys the thing put in usufruct, but he cannot change the economic destination it had when the usufruct started without the approval of the owner, or without the authorization of the district court, when the owner and the usufructory do not agree.

During the continuity of the usufruct or at its end, the usufructory may remove the additions made to the thing, in the conditions of the first paragraph of this article, which may be detached without damaging the thing, returning it to its initial condition, except when it is differently provided for in the foundation act.

Article 238 Improvements to the Thing in Usufruct

The usufructory, at the end of the usufruct, has no right to request compensation for the improvements made to the thing during the use, even if its value has increased, except when it is differently provided for in the foundation act.

The additional value may be compensated with the damages that might have been caused to the thing without the fault of the usufructory.

When it is not the case for compensation, the usufructory may remove the additions made, without damaging the thing, except when the owner accepts to pay their value, as they were separated from the thing.

Article 239 The Belonging of Fruits

The natural and civil fruits produced by the thing during the duration of the usufruct belong to the usufructory.

The natural fruits that were not detached from the thing at the beginning of the usufruct belong to the usufructory and vice versa, when they are detached from the thing when the usufruct ends, they belong to the owner.

Article 240 Transfer of the Usufruct Right

The usufructory may transfer this right to another for a certain period or for the whole time of its existence, except when differently provided for in the creation act.

The transfer must be notified to the owner in written form, otherwise the former usufructory and the person who has gained this right are jointly responsible to the owner.

Article 241 Right of Alienation

The usufruct is entitled to alienate things subject to usufruct in the extent they are destined to be alienated and in accordance with their nature.

In other cases the usufruct cannot alienate things in usufruct without the approval of the owner or the authorization of the district court, except when it is differently provided for in the creation act.

The authorization must not be issued when the interests of the owner, the usufruct, or third persons are effected.

Article 242 Substitution of the Thing in Usufruct

When things in usufruct are alienated or substituted by other things, they belong to the owner and at the same time are subject to usufruct.

The above rule is valid for anything gained from the fulfillment of the obligations subject to usufruct, from remuneration, or the devaluation of the property, when they substitute or improve the things subject to usufruct.

There are also subject to usufruct the things that are gained from other benefits deriving from the usufruct but which are not fruits.

Article 243 Investments

The owner and the usufruct must agree on the fact that the money subject to usufruct be invested in a profitable manner or be spent in the interest of other property in usufruct.

Article 244 Leasing

The usufruct is entitled to lease the things in usufruct, except when it is differently provided for in its creation act.

When the usufruct ends, the owner must respect the lease started normally before, except when the extension of its duration is made without his approval. When the usufruct or the lessee have demanded the approval of the owner for the lease and he has not responded within the deadline, it is considered that the approval is given.

When the usufruct stops, the leases for a term of more than 5 years are valid only for 5 years from the day the lease has started.

Article 245 Enjoyment of Servitude

The usufruct enjoys the servitude rights related to the property on which there is the usufruct and other real rights that the owner himself would enjoy, except for the limitations provided for by the creation act or by law.

CHAPTER III - OBLIGATIONS DERIVING FROM THE USUFRUCT

Article 246 Substitution of Damages

The usufruct is bound to compensate the value of the lost thing or its damage, except when he proves that they are not caused because of his fault.

He is bound to substitute the things which, according to the usufruct, he had no right to consume.

Article 247 Inventories

The usufruct takes delivery of the things in the condition they are before the usufruct starts.

Things in usufruct are taken in delivery by an inventory made with a notary act in the presence of the owner, after he has been notified in appropriate time in advance. It is the right of the parties that in inventory be noted all the details related to the defining and condition of the things taken in usufruct.

The inventory may be done also with a private act, upon agreement of the two parties who are present during its performance. The expenses for the performance of the inventory are in charge of the usufruct, except when it is provided for differently in the creation act.

Article 248 Periodical Notifications

The usufruct is bound to send the owner at the end of each year a detailed written notification signed by him, on things that do not exist any longer, or the things that have replaced them, as well as on the other profits from the things in usufruct which do not enter in the category of fruits.

The expenses for the performance of the annual notification (**deta. alb ?**), are in charge of the usufruct, except when it is provided for differently in the creation act.

Article 249 The Giving of Guaranty

The usufruct is bound to give the owner a written guaranty for the fulfillment of the obligations deriving from the usufruct, except when in the creation act he is discharged from this obligation, or when the interests of the owner on the things in usufruct are sufficiently insured from an institution charged with this duty.

The parents who have legal usufruct on the things in the ownership of their children are excluded from giving such a guaranty.

When the usufruct is discharged from the obligation of giving the guaranty, the owner gains the right to require from him that he be notified every year of the things given in usufruct, or he be informed of the notification of a credit institution on the money or securities deposited.

The usufruct cannot gain possession of the things put in usufruct without fulfilling the obligations that derive from this article.

Article 250 Consequences of Failure to Give the Guaranty

When the usufruct does not give any guaranty, there are taken measures for the administration of the things in usufruct. The immovable are leased or are entrusted to an administrator chosen by agreement between the owner and the administrator, and when such an agreement is not reached, the administrator is appointed by the district.

The usufruct is entitled to keep for his and his family's residence, a domicile included in usufruct.

The money included in usufruct is invested with interests.

The immovable that get old or damaged from the use, or grocery that risk to rot are sold and their value is given with interest or is used for things in usufruct.

The usufruct may request that movables sufficient for personal use be left to him.

Article 251 Expenses for Maintenance

The expenses needed for the protection, maintenance, and administration of the property are in charge of the usufruct. There are also in his charge the expenses for unusual repairs, when they come as result of the non-fulfillment of his obligations towards the thing in usufruct.

Extraordinary repairs are in charge of the owner. When the owner refuses to perform them or other repairs in his charge him, or he delays without reason their performance, the usufruct performs them with his expenses which are paid off until the end of the usufruct. The usufruct is entitled to keep the repaired thing until the expenses are paid off.

Article 252 Insurance of the Usufruct

The usufruct must insure the things in usufruct in the favour of the owner for risks they must usually be insured or that are mandatory by law. In case of damage the usufruct is extended on the compensation paid.

When the usufruct does not fulfil such obligation, the owner is entitled to make himself the insurance of the property, and the usufruct is bound to pay the respective expenses.

Article 253 Expropriation of Things in Usufruct

When the property is expropriated for public interests, the usufruct passes over the respective compensation.

Article 254 Payment of Taxes and other Obligations

Taxes, fees, compensations, ground rents and other annual obligations related to the income during the usufruct are in charge of the usufruct.

Taxes, fees, and other obligations in charge of the property during the usufruct are in charge of the owner.

CHAPTER IV - END OF THE USUFRUCT

Article 255

Usufruct ends:

- upon the death of the usufruct or upon the end of the usufruct legal entity;
- upon the end of the term defined in the creation act;
- upon the unification of the qualities of owner and usufruct in a sole person;
- upon the complete destruction or the loss of thing given in usufruct;
- upon non usage of the usufruct continuously for twenty years.

Article 256 Cessation of the Usufruct

The usufruct may cease when the usufruct abuses the rights or does not fulfil the obligations deriving from the usufruct.

Nevertheless, the court depending on the circumstances, may order the usufruct to give a guaranty, in case he is been discharged from such obligation, or upon request of the owner it be left to him the administration of the thing in usufruct or to another person, or even the leasing of the thing.

Article 257 Renouncement of the Usufruct

The usufruct may request to renounce with his expenses from the usufruct because of the obligations' burden deriving from it.

Article 258 Return of the Things in Usufruct

When the usufruct ends, the usufruct or his heirs are bound to put at the disposal of the owner the things put in usufruct.

TITLE V USE AND INHABITATION

Article 259

The person who has simply the usage right on a thing, uses the thing and enjoys its fruits at the extent necessary for himself and his family.

When object of the usage right is a domicile, the person is entitled to reside there depending on his and his family's necessities. The thing or domicile used in the basis of this provision can not be alienated, burdened, or used by other person.

Article 260

The provisions related to the usufruct are also applicable to the right of usage and habitation, for as long as they concur with these rights.

TITLE VI SERVITUDES

CHAPTER I - GENERAL PROVISIONS

Article 261

Servitude is the burden imposed to a property, for the use and benefit of a property of another owner.

Article 262

The servitude is established by law or man's will.

Article 263

The owner of the serving property is not bound to perform any action to make possible the exercise of the servitude, except when it is provided for differently by law or title.

Article 264

The owner in whose favour the servitude is put, is bound to remunerate the owner of the serving property for the damage caused to him by the establishment of the servitude.

CHAPTER II - BINDING SERVITUDE

Article 265

The owner of a property who according to the law is entitled to require from the owner of another property the establishment of a servitude, in lack of an agreement, may address the court.

The binding servitude may be also established by an act of a state body, in cases provided for by law.

The decision must define the rules of the exercise of the servitude and the remuneration for the respective damage.

Article 266 Flow of Waters

The owner is obligated to accept in his land water from the rain snow and unexploited water sources which naturally flow from a land of higher level. The owner can not change this flow of water on the harm of another.

The water flowing on a below land can be kept by the owner of the higher land at the quality which is enough and necessary for this land.

Article 267

In cases when the slopes and sides of a property which served to present waters are destroyed or damaged, and when it comes necessary that because of waters there must be constructed protecting units, and the owner does not accept to construct or repair, then the damaged owners can construct or repair them by their own expenses. These constructions and repairs must be done without causing any damage to owner of servient land and respecting the special rules when such ones exist. When the owner of servient land has contradictions, the disagreement is solved by the court.

Article 268

The provisions of the above mentioned article are applied even when it is necessary to make off a barrier of materials formed in another property, or canal, flow of water, draining channel which damages the neighboring properties.

Article 269

The owner who has a source of water in his property is free in its use, but without intruding the rights acquired by the owner of lower property according to title and prescription.

Article 270

In case when a flow of water prevent the neighboring owners to enter in or prevents the continuity of drainage or irrigation, the ones who use this flow are obligated that in proportion to profits earned by the water to construct and maintain the bridges and other communicating means, and also the subterranean pipes and other things of this nature in order to continue the drainage and irrigation.

Article 271

The owner of a land is obligated to accept without recompensation the waters which come from drainage of a land, like the above mentioned one, when they flow naturally in his land.

When from this flow come damages, he has the right to demand the recompensation and the taking of measures in order to avoid it in the future.

Article 272 Servitude Arising from Constructions

The rules for constructions of habitations and other constructions the distance between them, the receiving of light and sight, the settlement of balconies and other constructions of this nature are (regulated) provided by special law respecting the rights of the owner foreseen in this code and other certain special laws.

Article 273 Servitude which Source from Receive of Water

The pass of waters through other's property must be done in the most appropriate and suitable way in order to cause less damages but without preventing the normal exercise of servitude.

Article 274

When the pass of waters is demanded for a time not longer than 9 years, the payment of value and compensation mentioned in the above mentioned provision is done with the half of this value, with the obligation that at termination of term everything is resettled at the previous condition.

This servitude can become permanent when it is demanded before the termination of term, through the payment of the other half, of value together with the legal usuries, from the day when has started the pass.

When the request is done after the termination of term there are not taken in consideration the payments for the temporary acquisition of this right.

Article 275

When the pass of waters goes by penetrating public streets (ways) or rivers and other public constructions, there must be applied the rule foreseen in special provisions.

Article 276

When in a house or its environment there is lack of water necessary for the life of people and livestock, and there are no ways to secure it differently, or there are needed great expenses, the owner of the neighboring land must permit that a surplus quantity of the water must be used for the above mentioned necessities, affording the value of the required water and expenses which must be done for this aim and when there is the case he must compensate the damage which can be caused.

Article 277 Servitude of Passing Through

The owner who has no way out in the public way and can not secure it except by great and difficult expenses, has the right to have a passing way from the neighboring land in order to make a suitable use of his property.

The pass must consist on the shorter way to the public way and with less damages for the servient land.

This provision is applied even when the owner, to whom is recognized the right of passing in other's property, demands the widening of the way for the means, including here even the pass of mechanic means.

Article 278

The owner must allow the neighbor to enter and pass in his land any time he needs to construct or repair a wall or another thing. He must allow the person to search for and to take the livestock or any of his things which casually are there or as a consequence of wind, water, avalanches and other major forces, things which are in his land or are united to his things.

The owner can not allow the entrance when he assumes to deliver by himself the thing lost in his land. When there is the case, the owner of land is compensated for the received damage.

Article 279

The person who wants to pass in the other's land must pay the value of the occupied land, without reducing other taxes and burdens related to land, and must pay the recompensation for the caused damage including the damage which comes from the interruption of land, from its non usage, from the deposition of materials and throwing of residues. The owner of servient land has the right to remove the last ones and to make use of the surface of soil, but always without harming the normal exercise of servitude.

Article 280 Servitude of Putting Cables, Wires, Tubes

The owner must allow other persons to construct in his immovable property, canals or to put pipes for water and gas and telegraphic or electric wires and cables and other installments of this nature, but only when there are no other possibilities to construct these things or when they are done without great expenses. When the owner receives damages, he has the right to be compensated.

CHAPTER III - VOLUNTARY SERVITUDE

Article 281

The owner can establish on his properties or to their utility any kind of servitude, with the condition that it must not contradict the legal order (legislation in power).

The voluntary servitude are created by contracts or by will.

Article 282

Servitude are continual when their exercise is done without the necessity of time after time acts of man, as the water ditches, shelter points and others of this nature.

Servitude are non continual when during their exercise is demanded the performance of present acts of man as the right to get the water pasturage of livestock and others of this nature.

The servitude can be apparent or nonapparent.

Nonapparent are the servitude for which are not needed permanent and visible works destined for their exercise.

Article 283

The continual and visible servitude are created by title or by a limited period of 10 years.

The invisible continual servitude and non continual servitude, apparent or nonapparent, can not be created but only by title.

Article 284

When two properties extinguish being under the ownership of a person the servitude is considered that it exists in an active manner or passive manner to utility or against each separated property, except when there is a contrary agreement.

CHAPTER IV - MANNERS OF EXERCISE OF THE SERVITUDE

Article 285

In the right of servitude is included everything which is necessary for its usage.

Article 286

The owner can not impose the property with servitude, which intrude the right of usufructuary, without the assent of usufructuary.

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Article 287

The servitude on a property which belongs to some persons in joint - ownership can be established only with the approvement of all the joint - owners. The servitude established by only one or some joint - owners enters in force when the other joint - owners, together or separately, have given their approvement for its establishment.

Article 288

The person who has a right of servitude must use it according to the title or possession of his. When there are doubts about its extension and manner of its exercise, the servitude is considered established in manner to fulfil the necessities of the dominant property, burdening as less as it is possible the servient property.

Article 289

The right of servitude must be exercised at the time and manner which brings less difficulties and troubles to owner of servient property.

Article 290

When the property, on which utility the servitude is established, is to go under apportion, servitude will serve to each part, with the condition that the burden of servient land must be not more heavy.

Article 291

The owner must not reduce or make difficult the usage of servitude by his acts, or nonperformance of his acts.

But if the conditions have changed and the owner of servient property is burdened or prevented in the exercise of his ownership rights, he can demand to the owner on whose utility is put the servitude the change of the place of servitude.

This right is possessed even by the owner of the other property, when there is proved that this change brings utility and does not harm the servient property.

Article 292 Protection of Servitude

The person who exercises a servitude has the right to demand judicially from anyone who contradicts this right, requiring according to the case its reestablishment (complete one), the cessation of intrudes made to him and the recompensation of the received damage.

CHAPTER V - EXTINGUISHMENT OF SERVITUDES

Article 293

Servitudes extinguish:

- a) when in a sole person is united the ownership of dominant property in that of servient property;
- b) when there are used for no longer than ten years;

The term of prescription for noncontinual servitudes start to be on from the day when the servitude has ceased its usage, while for the continual servitudes from the day when is done a work or is verified a fact which prevents the exercise of servitude.

For the effect of extinguishment of servitude is accounted even the time it was exercised by the above mentioned holder of title.

- c) when things are damaged or consumed at that degree to be no more used for their intention.

The resettlement in a condition to be used brings as consequence the resettlement of servitudes, except when this right is prescribed.

Article 294

When the dominate property is under joint - ownership, the usage of servitude by one of joint - owners interrupts the prescription even to the other joint - owners.

Article 295

The suspension or interruption of prescription on favour of one of joint - owner effects on the others too.

TITLE VII PROTECTION OF OWNERSHIP

Article 296 The Action for the Return of the Thing

The owner has the right to bring into action against in order to demand his property from any illegal possessor or holder. This right is possessed even by any joint - owner for the joint - property, in order to be given to all joint owners.

Article 297 Right of Possession for the Income

The possessor in good faith deserves the separated natural fruits and the gathered civil fruits which are demandable until the day he is announced that he is not the legal possessor, or announced of the action of owner for the demand of the thing. He is not obligated to recompensed the owner for the losses, damages, impossibility of returning back the thing for any other reason, but after that date he is responsible for the gathered fruits or the fruits which he had to gather, by acting with care until the time of return of thing, for recompensation because of usage of thing and for the loss, harm and impossibility of returning back of thing because of his fault.

Article 298

The possessor in bad faith for all time of possession is obligated to return back to the owner together with the thing even the separated natural fruits and the gathered civil fruits which have become demandable, and other incomes he would gather, and recompensed the owner for the usage of thing and for the loss, harm and impossibility of returning back the thing even if he has no fault.

He is discharged from the responsibility when he proves that the damage would take place even if he delivered the thing at proper time, except when it is taken through a penal act.

Article 299

The possessor in good faith has the right to demand the payment of necessary expenses done for the thing and utility expenses, at the amount they increased its value, if it continues to be on the time of return of the thing.

The possessor in good faith has the right to reduce from the incomes of thing the expenses recognized to him according this provision. He has the right to keep the thing until are paid to him the necessary and utility expenses.

Article 300

The possessor in bad faith has the right to demand only the payment of necessary expenses done for the thing.

Article 301

The possessor in good and bad faith, except the expenses recognized by this code articles, have no right to demand the payment of other expenses, but they have only the right to take off from the thing what they united to it and which can be separated without harm, except when the owner accepts to pay their value.

Article 302 Denying Action

Owner has the right to demand from any one who intrudes his property, but without divesting from the possession, the cessation of intrusion and that it will be not repeated in future, and, when it is the case the recompensation of damages which he brought.

Article 303

The owner, the person who enjoys another right in rem or the possessor, who have reasons to be preoccupied by a new started construction of others in their or another's land from which the thing under ownership or possession can receive harm, can be directed to the court with the condition that this construction is not over or there has not pass a year from its start.

The court according to the case can decide the prevention of work, demolition or its reduction and when there is the case even the recompensation of damage, or it, the court, refutes the action by ordering the recompensation of damage when it results that the work was unjustly prevented.

TITLE VIII POSSESSION

CHAPTER I - GENERAL PROVISIONS

Article 304 Definition of Possession

The possession is the effective domination of a person over a property and the rights in rem therein. The possession can be exercised directly or by a person who holds the property.

Article 305

The possession of a not owner person can legal or illegal. The possession is legal when the possessor gets the possession from the owner, based on a legal transact or an administrative act.

In all other cases the possession is illegal.

Article 306

The illegal possession can be in good faith or in bad faith.

The possession is in good faith when the possessor has not known or was not obligated to know that his possession was illegal.

The good faith is presumed and it is enough that it has been during the time of acquisition of possession.

Article 308 Presumes over Possession

The nowadays possession does not presume the previous possession except when the possessor has a title which consist on basis of his possession.

In this case the possessor is presumed that it was possessed from the date of title.

Article 309 Manners of the Acquisition of Possession

The possession is acquired through legal transact, by inheritance or occupation. The possession continues to heir since the opening of inheritance.

The one who has acquired the possession in good faith can unite to his possession even the time of possession in good faith of person from whom he has acquired the thing.

CHAPTER II - THE PROTECTION OF POSSESSION AND MAINTENANCE

Article 310 Protection at the Moment

The possessor has the right to contradict at the moment, by applying protection, any act which intends intrusion or divesting from possession. When the thing is taken by violence or furtively the possessor has the right to take it immediately or during, but by avoiding acts of violence which do not agree with the circumstances of event.

Article 311

The right for the protection of thing is recognized even to the maintainer of the thing, against any other person, except against the one from whom these rights come from.

Article 312 The Cessation of Intrusion to Possession

The person who is intruded during the possession of a thing can demand within six months the cessation of intrusion to possession and that it must be no more repeated in future.

When the possession is acquired by violence or furtively, the action can be brought against within six months from the day when furtiveness and violence has ceased.

The cessation of intrusion can not be demanded by the person who has violently and furtively acquired the possession.

Article 313 The Resettlement in Possession

The possessor who unjustly is dispossessed has the right to demand within six months the resettlement of him in possession.

This right does not belong to the possessor who has acquired the possession violently and furtively.

When the dispossession is done in a conspirative manner, the term to demand the resettlement of possession starts from the day when was discovered the dispossession.

Article 314

The resettlement can be demanded even against the one who has acquired the possession through a title, but who was informed of the divesting occurrence.

Article 315

During the judgement of an action for the cessation of the intrusion or resettlement in possession, the defendant can not pretend that he himself is the owner, or has a stronger right than that of the possessor.

CIVIL CODE

OF THE REPUBLIC OF ALBANIA

PART III INHERITANCE

TITLE I

GENERAL PROVISIONS

Article 316 Meaning of inheritance

Inheritance is the transfer by law or by will of the property (inheritance) of the deceased person to one or more persons (heirs) according to the rules determined in this Code.

Article 317

Inheritance by law is applied when the person leaving the inheritance has not made a will or has made it only for a part of his property or when the will is entirely or partially invalid.

Article 318 Time and place of opening the inheritance

The inheritance is opened when the person leaving the inheritance dies, and it is opened in the place where he had his last residence. When that is not known, the inheritance is opened in the place where all or most of his property is located. It is regulated in conformity with the law of the time when it is opened.

Article 319

Any agreement by which rights issuing from an unopened inheritance are disposed of or used is invalid.

Article 320 Capacity to inherit

A person has capacity to inherit who, at the time of the opening of the inheritance, is alive or has been conceived before the death of the person leaving the inheritance and is born alive.

It is presumed that a person has been conceived at the time of opening the inheritance when that person is born within 300 days from the death of the person leaving the inheritance.

Article 321

When two or more persons are entitled to inherit from each other and it is not proved which one has died earlier, it is presumed that all have died at the same time and no right is transferred from one to another.

Article 322 Unworthiness

One is considered unworthy and cannot inherit when:

- one has intentionally killed or attempted to kill the person leaving the inheritance, his spouse, his children or his parents;
- one has given false evidence or has officially denounced the person leaving the inheritance for committing a penal act, when the penalty provided for by law for such penal act is the death penalty or ten years of deprivation of freedom, or when the denunciation or the evidence has been declared false by a penal trial;
- one who by deceit, under threat or by violence has urged the person leaving the inheritance to make, change or invalidate the will or who has himself drawn up a false will or has used it for his own interests or for those of others;
- one has behaved towards the person leaving the inheritance in a degrading manner or has maltreated him.

Article 323

Unworthiness of the parent or of another person born earlier does not exclude a child or one born after him, when they inherit themselves as well as when they come to inheritance by substitution. In such an event, the unworthy parent cannot enjoy the rights of usufruct and administration, which the law grants to parents over the property of their children, over the inherited share which comes to his children.

Article 324 Pardon of unworthiness

The person leaving the inheritance has the right to pardon the person unworthy to inherit, on condition that the pardon is made expressly by notarial document or by will, or, although the pardon is not expressly made, the person leaving the inheritance has noted in his will that he has recognized the unworthiness and nevertheless appoints him as heir.

Article 325 Liabilities of unworthy heir

The person excluded from inheritance as unworthy is liable to return the fruits and any other income received after the opening of the will.

Article 326 Substitution

Substitution allows the placing of substitutes in the place, degree and with the rights of the person being substituted.

Article 327

Substitution in straight line of those born after is made without limitation and in all events, be it when the child of the person leaving the inheritance competes with those born after another child who has died earlier, as well as when the children of the person leaving the inheritance have died before him and those born after them are or are not of the same degree, or of their number according to birth.

Article 328

There is no substitution for the earlier born in straight line; the nearest excludes the others.

Article 329

In indirect line, substitution is accepted in favor of the children of those born after, of the brothers and sisters of the person leaving the inheritance, even if they compete with their uncles or aunts or with those born after them of the same degree or not.

Article 330 Inheritance entitlement

Inheritance is gained on the death of the person leaving the inheritance.

Article 331

On the opening of the inheritance, the right of possession of the person leaving the inheritance on the inheritance property is transferred to the heir, without the need for him to seize it.

Article 332

The heir may gain all the property of the person leaving the inheritance or a part of it, or only a determined object or another property right.

Article 333 Renunciation of inheritance

Renunciation of inheritance must be made by a written statement, which is registered in the court of the district of the place where the inheritance is opened, or verbally in judicial minutes.

Renunciation may be made also through a representative equipped with special power of attorney.

Article 334

The person renouncing the inheritance is considered as to have never been called to inherit. Renunciation of inheritance does not exclude the heir from the right to request legacies.

Article 335

Renunciation of inheritance may be made within three months from the opening of the inheritance and, when the heir is abroad, not later than within six months.

For the heir who is not born at the time of the opening of the inheritance, the time period for renunciation starts from the date of birth.

The time period for renouncing the inheritance is suspended for reasons that are valid for a statutory barring of the lawsuit.

Article 336

When it is not known whether there are heirs, or when the heirs are missing and there is no news about them, the court of the district where the inheritance is opened, on its own or on the request of any interested person, determines a time period, not less than six months from the opening of the inheritance, within which they must declare if they renounce from inheritance. If no such declaration is made within this time period, it is presumed that the person leaving the inheritance has left no heirs.

Article 337

Renunciation of inheritance, made before the opening of the inheritance, or when it is made on condition, or under a time period, or for a part of the inheritance, or to the benefit of one of the other heirs, is invalid.

Article 338

No renunciation of inheritance can be made when, during the three month time-period, the heir through his actions has behaved as heir.

Actions performed only to safeguard the inheritance property are not considered as actions of an heir.

Heirs who have removed or hidden objects from the inheritance lose the right to renounce and remain heirs even if they have declared renunciation from the inheritance.

Article 339

The heir who has duly declared that he has or has not renounced his inheritance cannot revoke that declaration later.

Article 340

When the heir dies before the expiration of the time period for renunciation from inheritance, the right to renounce is transferred to his heirs.

Article 341 Payment of liabilities

The heirs are responsible for the liabilities on the inheritance property in proportion to their shares, up to the value of the inheritance property they have received.

Liabilities on the inheritance property are considered to be those liabilities of the person leaving the inheritance, the expenses for his burial, and the expenses necessary for the safeguarding and administration of the inheritance property until it is transferred to the respective heirs.

Article 342

When, in an inheritance, one or several immovable properties are burdened by mortgage, each heir has the right to request that these properties be relieved from mortgage before the composition of the inheritance shares are made.

Nevertheless, an heir who has fulfilled a liability issuing from a mortgage placed on an immovable property in his inheritance share, has a right of return from the other heirs, in proportion to their shares.

Article 343 Measures to secure the inheritance property

When it is considered necessary to protect the interests of the heirs, or of persons who may benefit from dispositions by will, or of the creditors of the person leaving the inheritance or of the state, the court of the district where the inheritance is opened, on its own or on the request of any interested person, shall order the executor or a notary to make an inventory of the inheritance property.

The executor or the notary who makes the inventory may appoint a person as guardian of the inheritance property.

As long as the above measures have not been removed, an heir who may have started to administer the inheritance property cannot alter that property, except by permission of the court.

Article 344

When it is not known whether there are heirs, or when the heirs are missing and there is no news about them, or when the legal heirs or heirs by will have renounced their inheritance and their heirs are not known, the court of the district where the inheritance is opened, on its own or on the request of the parties, shall appoint a guardian for the inheritance.

A summary of the decision to appoint a guardian is published in Fletorja Zyrtare.

Article 345

The guardian demands the making of an inventory of the inheritance property, takes measures to administer the property, exercises the right of lawsuit and answers the lawsuits related to such a property, deposits in the bank the money of the inheritance or which results from it, performs other similar actions and renders an account at the end of administration.

Article 346

With the approval of the court the guardian pays the liabilities burdening the inheritance property, executes the liabilities related to legacies and burdens and, when considered necessary, even alters inheritance property.

Article 347

The task of the guardian ceases with the appearance of the heir.

Article 348 Proof of inheritance

The right to be an heir, and the heirs share in the inheritance are determined in the proof of inheritance, issued by the court according to rules determined in the Code of Civil Procedure.

Article 349 Lawsuit to request inheritance

The heir may request, by lawsuit from anyone who possesses inheritance property entirely or in part, his acknowledgement as heir and the delivery of the inheritance property and of any property earned through it, in conformity with the rules on possession in good faith and in bad faith.

Article 350

A lawsuit for requesting the inheritance may also be brought against the person who holds the inheritance property based on provisions of the will, even when that holder is the state. The person who has gained in good faith any thing of the inheritance property from such an heir is not obligated to return the thing even if it were gained by counter-compensation.

The possessor in good faith who has altered also in good faith things from the inheritance property, is obligated to return to the plaintiff heir the price of the thing accompanied by the relevant invoice. When the latter has not been paid, the right to request payment passes on to the plaintiff heir.

Article 351

A lawsuit for requesting inheritance is not barred by statute, except for the effects of statutory limitations for separate properties.

Article 352

Provisions related to possession are applied also for the possession of property in inheritance with regard to the request for the fruits, for the expenses made or for the improvements or additions made.

Article 353 Division of inheritance

Any one of the co-heirs has the right to request at any time the division of inheritance property, even if the person leaving the inheritance ordered differently.

Article 354

The division of the property may be made by agreement of the heirs and, when they do not agree, by the competent court for the consideration of lawsuits resulting from inheritance.

Article 355

The division of the inheritance property is made according to the rules set forth in article 207 of this Code and the other provisions of this chapter.

Article 356

In the composition of the belonging shares, each of them must, to the degree possible, be constituted by the same quantity of movable or immovable property, real rights or credits, which have the same value in kind.

Article 357

When creditors have sequestered the movable property of the inheritance property, or have opposed the division according to article 206 of this Code, or the majority of the heirs consider it necessary to pay the liabilities burdening the inheritance, the movable property shall be sold at auction.

Article 358

The spouse of the person leaving the inheritance has the right to request the share belonging to him in the common property gained by work during marriage.

The co-heirs, who by their work or their income have helped in incrementing the property left as inheritance, have the right to request their share in the above-mentioned incremented property, according to contribution made.

Article 359

The share of a member who dies in the property of an agricultural family passes on to his heirs, regardless of their membership in the agricultural economy.

When the last member of the agricultural economy dies, the property passes on to his heirs according to the rules determined in this Code.

TITLE II

INHERITANCE BY LAW

Article 360

The legal heirs are children, the children of the children, the spouse, parents, brothers and sisters and children of brothers and sisters deceased before, grandfather and grandmother and other persons born before, persons unable to work in charge of the person leaving the inheritance, his other kin up to the sixth degree as well as the state. These are called in inheritance according to the order determined in this Code.

Article 361

In the first row are called in inheritance the children and the spouse able or unable to work, each inheriting in equal parts.

When one of the children has died before the person leaving the inheritance, has become unworthy of inheritance, has renounced inheritance, his children take his place by substitution and, when for the above reasons there cannot be heirs, those born after them come into inheritance without limitation. In such an event, the share of the parent who does not inherit is divided among those born after him in equal parts.

When besides the spouse there are no other heirs of the first row, those of the succeeding row as set forth in article 362 of this Code are called in inheritance and, when there are no such, heirs of the next succeeding row as set forth in article 363 of this Code are called.

In any event the spouse receives 1/2 of the inheritance.

When there are no heirs of the above-mentioned rows, the inheritance remains to the spouse living afterwards.

Article 362

Children born outside marriage, when parenthood is duly recognized, as well as adopted children, are equal to legitimate children.

The adopted child does not inherit from the family of his origin, nor does it inherit from him.

Article 363

In the second row, the parents of the person leaving the inheritance and the persons unable to work, who, at least 1 year before the death of the person leaving the inheritance, lived together with him as members of his family and in his charge, are called in inheritance.

Article 364

In the third row are called in inheritance the persons unable to work in charge of the person leaving the inheritance who are mentioned in article 363 of this Code, when there are no heirs of the second row, the grandfather, the grandmother, brothers and sisters, as well as the children of the brothers and sisters who have died before. The above-mentioned inherit in equal parts, without making distinction between brothers and sisters of the same father or of the same mother, between the grandfather and the grandmother on the father's or mother's side.

Article 365

When the person leaving the inheritance has left neither persons born after, nor parents or other persons born before, nor brothers or sisters, nor persons born after them, the property of the person leaving the inheritance passes on to his nearest kin, without distinguishing between father's and mother's line, but in any event not further than the sixth degree.

Article 366

When the person leaving the inheritance has not left any heirs up to the sixth degree, the state is called in inheritance.

Article 367

The state is not responsible for the liabilities of the person leaving the inheritance beyond the value of the property gained.

Article 368 Right of addition for household things

The heirs who lived together with the person leaving the inheritance at the time of his death, when called in inheritance, besides the share belonging to them take the commonly-used household goods, except when the person leaving the inheritance has otherwise disposed in the will.

Article 369 Inheritance according to rows

Heirs of a succeeding row are called in inheritance only when there are no heirs of the preceding row or when all of them have become unworthy or have renounced from inheritance or have been excluded from inheritance, except when from the heirs of the second row remains the heir unable to work and there are heirs of the third row.

Article 370 Right of addition

When one of the co-heirs called in inheritance has died before the person leaving the inheritance, or has become unworthy, or has renounced from inheritance, or has been excluded from inheritance and there are no persons who inherit by substitution, the share that belongs to him is added to the shares of the co-heirs of that row.

Article 371 Heir unable to work

Heirs unable to work are those who at the time of death of the person leaving the inheritance have not completed sixteen years, or eighteen years when they continue studies, males who have completed sixty years and females who have completed fifty-five years, as well as, regardless of age, those of the first and the second group who are disabled.

TITLE III

INHERITANCE BY WILL

Article 372 Meaning of the will

The will is a one sided legal act performed by the person leaving the inheritance himself, by means of which he disposes of his property for the time after his death.

The will cannot be made by two or more persons in the same document, nor to the benefit of a third person, nor by reciprocal dispositions.

Article 373 Capacity to dispose by will

Any person who has completed eighteen years as well as a woman under that age, when she is married, may make a will.

Minors between fourteen and eighteen years may make a will only for the property gained by his work.

The person to whom the court has removed the capacity to act, as well as the person who at the time of making the will is not in condition to understand the meaning of his action, cannot make a will.

Article 374 Capacity to gain by will

Persons are incapable of gaining by will who are incapable to inherit by law except the non-indirect children of a determined person and alive at the time of the death of the testator even if those children were not yet conceived.

Article 375

The guardian cannot in any event gain by the testamentary dispositions of the person in guardianship when they have been made before the approval of the final calculation, even if the testator had died after the approval of the final calculation.

Dispositions made in favor of the guardian are valid when he is born before, after, or is the brother, sister or spouse of the testator.

Article 376

Testamentary disposition in favor of the incapable persons mentioned in article 374 and 375 of this Code is invalid even if it was hidden under a form of contract with compensation or if it was made under the name of an interposed person.

Interposed persons are called: the father, the mother, those born after and the spouse of the incapable person.

Article 377 Appointment of the heir

The person leaving an inheritance who does not have persons born after him or before him, or brothers or sisters, has the right to dispose of his property by will in favor of any natural or juridical person.

Article 378 Exemption form inheritance

The person leaving an inheritance, even without appointing heirs in the will, may exclude from legal inheritance one or more of his heirs.

Article 379 Legal reservation

The person leaving an inheritance can neither exclude from legal inheritance his minor children or other minor heirs who inherit by substitution (article 363, second paragraph), as well as his other heirs unable to work if they are called in inheritance nor affect by will in whatever manner the part which belongs to those heirs on basis of legal inheritance, except when they have become unworthy to inherit.

Article 380

When the testator disposes by testament a usufruct or a life rent, income from which exceeds those of the disposable part, the heirs who have the right to legal reservation may execute this disposition or may resign from the rights to the disposable part.

The same right of choice have also the persons who benefit from the legal reservation in the event the testator has disposed the divested property of a part which exceeds the disposable amount.

Article 381 Substitution

The person leaving the inheritance may determine in the will that, if the heir dies before him or becomes unworthy, or renounces from the inheritance, the inheritance be taken by one of the other heirs indicated in articles 361, 363, 364 of this Code and, when there is no one of them, by another person.

But the person leaving the inheritance cannot obligate the heir to safeguard and, after his death, to deliver to another person all or part of the inheritance he has received.

Article 382 Right of addition

When the person leaving the inheritance has left all his property to the heirs appointed in the will and one of these heirs has died before him, or has become unworthy, or has renounced from the inheritance and the person leaving the inheritance has not appointed in such event another heir in lieu of him, as well as when one heir is excluded from inheritance, the share that belongs to him is added to the shares of the other co-heirs appointed in the will in the proportion of their inheritance shares.

If some of the heirs have been appointed jointly to a part of the property, the addition is made only between those co-heirs.

Article 383

When the person leaving the inheritance has left by will only a part of his property, even if in this part he had appointed jointly many heirs, the share of one who for the reasons indicated in the preceding article cannot be or does not want to be a heir, passes on to the legal heirs of the person leaving the inheritance.

Article 384 Legacy and burden

The person leaving the inheritance may charge the heir or the heirs appointed in the will, from those indicated in articles 361, 363, 364 of this Code, to give to one or more legal heirs a property benefit from the inheritance, without making them heirs (legacy).

When the person leaving the inheritance, who does not have heirs from those indicated in articles 361, 363, 364, has appointed other persons as heirs in the will, he may charge them with legacies to the benefit of any person.

The provisions of capacity to inherit are valid also for the person to whom the legacy is left.

Article 385

The legatee has the right to request the fruits or the interest resulting from the legacy, from the day appointed to deliver the legacy to him and, in its absence, from the day the lawsuit was commenced by service of notice.

They may be requested from the day of the death of the person leaving the inheritance, when the person leaving the inheritance has expressly disposed or when the legacy is a deposit in money.

Article 386

The person leaving the inheritance may charge the heir or the heirs appointed in the will to perform any action beneficial to the society or any other action, without giving any right to the person charged for this action (burden).

When the person leaving the inheritance leaves by will his property to the state, its organs, or different entities, he has the right to determine the purpose for which the property must be used.

Article 387

When the heir charged with the legacy or the burden has died before the person leaving the inheritance, or has become unworthy or has renounced from the inheritance and the person leaving the inheritance has not appointed another heir in his place, for the execution of the liabilities in relation to the legacy or the burden are charged the co-heirs or the legal heirs, to whom are added or are transferred the share of the one who for the above reasons cannot or does not want to be a heir.

If the execution of the liabilities related to the legacy or the burden is closely related to the person who for the above reasons cannot or does not want to be a heir, the legacy or the burden remains without effect.

Article 388

If among the heirs, none of them is charged by the testator to fulfill the legacy, each heir is obligated to contribute for the fulfilment of his share according to the belonging share.

Article 389

When the property given in legacy is indicated only as kind or amount, the right of choice rests with the heir, but the property cannot be below average quality.

Article 390

When the person to whom the legacy is left has died before the person leaving the inheritance or has become unworthy or has renounced the legacy, and the person leaving the legacy has not appointed another person in his place, the legacy goes to the benefit of the heir charged with that legacy.

But if the legacy has been left to several persons jointly, the share of one who cannot or does not want to take the legacy is added to the remaining joint holders in proportion to their shares.

Article 391

The person to whom the legacy is left has the right to request from the charged heir the execution of the liability in relation to the legacy.

The execution of the liability of the heir related to the burden may be requested by the executor of the will, by the co-heirs, by the relevant state or private organizations.

The liabilities related to the legacy and the burden are executed after the liabilities burdening the inheritance property are executed.

Article 392 Forms of the will

The will is made in two forms: by holograph and by notarial document.

Article 393 Holographic will

The holographic will is entirely written by the hand of the testator, including the date and his signature. The date of the will must indicate the day, month and the year.

The signature is placed at the end of dispositions.

Article 394

The person who is not able to read his own handwriting cannot make a holograph will.

Article 395

Persons who cannot hear (deaf) or who cannot hear and speak (deaf-mute), may dispose by holograph will or by will taken by the notary, in conformity with the rules set forth in the law "On Notary".

Article 396

The holographic will may be deposited with the notary for safeguarding in conformity with the provisions of the deposition of documents with the notary.

Article 397 Will by notarial document

The will by notarial document is edited by the notary and is signed by the person leaving the inheritance in the presence of the notary.

When the person leaving the inheritance does not know how to sign his name, or due to illness of physical handicap cannot sign, the will is signed in conformity with the rules set forth in the law "On Notary".

Article 398 Special wills

In the places where there is no notary, the will may be certified by the chairman or the secretary of the municipality or of the commune.

Article 399

The will of a person who is in the military service may be certified by the commander of the military unit in which he is a member and when he is hospitalized for cures, by the director of the hospital.

Article 400

The will of a person who is on an Albanian ship sailing or which has stopped in a foreign port, may be certified by the captain of the ship.

Article 401

Disposition by will made on a suspending condition, remains without effect when the person, in whose favor it has been made, dies before the person leaving the inheritance.

Article 402 Revocation of the will

The will of a later date revokes that of an earlier date entirely or only for the part that is not compatible with the new will.

The will also can be revoked by means of a statement made at the notary by the person leaving the inheritance.

Article 403 Invalidity of the will

The will is invalid when it is made by a person who cannot make a will (article 373).

Article 404

The will is invalid when it is not made in the form required by law.

Article 405

The will is invalid when dispositions are made by will to the benefit of persons who cannot inherit (articles 374, 375).

Article 406

The will is invalid when disposition by will is contrary to articles 377 and 384 of this Code.

Article 407

The will is invalid when disposition by will of the person leaving the inheritance exempts from legal inheritance his heirs who are minor or unable to work or affects their legal part.

Article 408

The will is invalid when disposition by will is made contrary to the law or deceiving the law.

Article 409

The will is invalid when disposition by will is made under the influence of deceit, threat or violence, or while mentally ill, without which the person leaving the inheritance would not have made such a disposition

Article 410

When the will is declared invalid by the court, legal heirs are called in inheritance, except when it is the case of addition to the benefit of the heirs appointed in the will according to article 381.

When only some of the dispositions of the will are declared invalid, the other dispositions remain in effect.

Article 411

The lawsuit on the invalidity of the will or of the disposition by will may be brought by the heir and by any other interested person within three years from the opening of the inheritance.

Article 412

When disposition by will is invalid because the disposition by the person leaving the inheritance has excluded by legal inheritance his heirs who are minors or unable to work or affects their legal share (article 407), the heir who is excluded from the inheritance or whose legal share is affected, has a right to request to the other heirs, as the case may be, the delivery or the fulfillment of the share belonging to him on the basis of the legal inheritance.

Article 413

For the determination of this share is joined the whole property that the person leaving the property had at the time of his death, deducting from it the liabilities burdening the inheritance and dividing it by the number of the heirs who would have been called in inheritance if the person leaving the inheritance would not have made a will.

Article 414 Executor of the will

The person leaving the inheritance may charge one or more persons to execute the will.

The appointment as executor must be accepted by him in the will itself or by a separate statement that is attached to the will.

If the person leaving the inheritance does not appoint an executor of the will, its execution is charged to the heirs appointed in it.

Article 415

The executor of the will must make the inventory of the inheritance property, by inviting to participate the heirs and the persons who benefit from the will.

The executor of the will administers the inheritance property, by performing the action necessary for the execution of the dispositions of the will, but cannot alter the inheritance property, except when the need arises and with the permission of the court, which decides after having first listened to the heirs.

Article 416

The district court, on the request of the heirs or of the persons having an interest, may discharge from his duty the executor of the will for serious violations of his duty or for incapability in administering the inheritance property.

Article 417

The powers of the executor of the will are not transferred to his heirs.

Article 418

When there are several testamentary executors, one of them may, in the absence of the others, act alone, but all of them are jointly responsible for the things entrusted to them, except when the testator has divided the duties.

PART IV OBLIGATIONS

TITLE I GENERAL PROVISIONS

CHAPTER I - DEFINITION AND CREATION OF OBLIGATIONS

Article 419 Definition of obligation.

The obligation is a juridical term through which a person (debtor) is obligated to give something or to perform a certain act on the utility of another person (creditor), who has also the right to demand in order to be given something or to demand the performance or nonperformance of the act.

The derivation of obligations.

Article 420

Obligations source from the contracts and law.
The economic nature of obligation.

Article 421

The object of the obligation must have an economic evaluation and must respond to the interests, even if there are not property ones, of creditor.

The correctness of participants in obligation.

Article 422

The creditor and debtor must behave correctly toward each other, with impartiality and according to the requests of reason.

CHAPTER II - JOINT OBLIGATIONS

Article 423

The obligation is solidary when the creditor or one of the creditors has the right to demand the execution of the same obligation completely or partly as from the debtors together or from each of them separately.

Article 424

There is solidary obligation only when it comes from the will of parties or when foreseen by law.

Article 425

The obligation is solidary even when the debtors are each of them obligated in different manners or even when the common debtor is obligated in different manners to each of the creditors.

Article 426

The execution of obligation from one of the debtors, solidary one, discharges all other debtors. The solidary debtors are discharged from the obligation even through the giving of a thing on the execution of the obligation from one of the solidary debtors to the creditor.

Article 427

The tardiness of the creditor toward one of the solidary debtors extends the effect to all other debtors.

The solidary debtor can not compensate his obligation by the credits which other debtors have toward the creditor.

The solidary debtor may not assert personal defenses of other debtors to creditor.

Anyone solidary debtors must not burden the position of others by his acts, except when it is differently foreseen by law.

Article 428

The debtor has the right to make choice for paying one or another solidary creditor, except when he is not prevented before through a written announcement by any one of them.

The creditors are solidary when each one of them has the right to claim the payment of the all obligation and the payment done from one of them, releases the debtor from all the creditors.

Article 429

The renunciation of obligation made by the debtor with one of the creditors discharges all other debtors, except when the creditor has kept the rights toward them.

The donation of obligation made to one of the debtors discharges all other debtors. When there is donated part of debtors discharges all other debtors. Are reduced for that much as it the donated part.

The union of qualities of creditor with that of solidary debtor in a sole person extinguishes the obligation of other debtors, for the part of this debtor.

Article 430

In relations between each other the solidary debtors take part in the liquidation of obligation according to the part each one has.

The debtor who has executed a solidary obligation has the right to demand from the other debtors the payment in equal shares of the obligation executed by him, except when it is differently foreseen by the contract or law.

When the solidary debtor who has executed the obligation has not reached to get the part of obligation from a debtor, then it is divided depending from the case between him and other debtors in equal shares.

Article 431

The solidary debtors are obligated to face in proportion to their parts all expenses verified as necessary to perform the execution of obligation.

Article 432

The solidary debtor who executes the obligation must assert the common defenses for all debtors to the creditor, otherwise he loses the right to demand from other debtors the part for the liquidation of obligation they deserve.

Also he loses this right even when he has not announced the other debtors that he has executed obligation and as consequence of this one of debtors has separately executed it himself.

Article 433

The interruption of prescription with acts of creditor toward one of the solidary debtors, and the interruption of prescription from one of solidary creditors toward co debtor effect even the other debtors and even the other creditors.

The suspension of prescription towards one debtor or one creditor, solidary ones, has no effects towards the others.

The give up from prescription in accordance with article 106 of this Code done from one of solidary debtors does not effect others, while the give up (retire) from prescription by one of solidary creditors has effects toward others.

Article 434

The solidary debtor to whom is demanded the payment of his part of obligation, can not assert to debtor who has paid it the prescription of action of creditor, except when he himself and the debtor who seeks the share had the possibility to assert the completed prescription. This paragraph is not applicated when by agreement the solidary debtors have decided differently.

Article 435

In case when the execution of obligation becomes impossible attributable or during the continuity of tardy of one or some solidary debtors, the other debtors are not discharged from the obligation of fulfilling it.

The creditor can demand total compensation of caused harm for this reason only by solidary creditors or from each of them, whose fault made impossible the execution of obligation or who have been in tardy. The other debtors remain solidary only for the first obligation.

The retardiness of one of solidary debtors brings no juridical consequences for the other debtors.

CHAPTER III - ALTERNATIVE OBLIGATIONS

Article 436

The obligation is alternative when the debtor is discharged from it by fulfilling one of its mentioned kinds separately according to his, creditor's or a third's wish. The debtor can not demand from creditor to accept the fulfilment of obligation partly from one kind and partly from its other kind.

Article 437

The right of choice belongs to the debtor, except when the law or contract foresees to leave it to the creditor or third person.

The election with the fulfilment of one of the obligation's forms or by the announcement of the election's declaration to the other part or both parts when the right to be elected belongs to a third.

When right of choice belongs to many persons and they do not agree, then the court decides a term for them. When the choice is not performed during the decided term, then the court performed it.

Article 438

1. When in an alternative obligation, the debtor does not execute any of kinds of obligations in proper term, the right of choice passes to creditor.

2. In case when the right of choice is left to creditor and he has not exercised it at the decided term (period) in agreement or decided by debtor, then the choice passes to the last one.

3. When the right of choice is left to a third person and he does not exercise in proper term, then the choice is made by the court.

When this right is left to some persons, the court decides a term for them. In case when the choice is not done at defined term, it must be done by the court.

Article 439

The alternative obligation is simple when one of the two kinds of the obligation can not be done object of obligation or when its fulfilling is made impossible without the fault of any of the parties.

Article 440

When the right of choice is left to debtor, the alternative obligation becomes simple in case when one of the two kinds of obligation became impossible and for his fault. In case when this impossibility incurred for the creditor's fault, the debtor is released from the obligation when he did not accept to apply the other obligation and to ask for the compensation of the damage.

When the choice is left to the creditors, the debtor is released from the obligation when the impossibility of the fulfilling of one of the two kinds of obligation incurred for the creditor's fault and the latter did not accept to execute the other kind of the obligation and to asks the compensation of the damage. In the case when the choice is left to the creditor and the impossibility is been charged to the debtor, the creditor may choose the other obligation or ask for the compensation of the damage.

Article 441

When both types of the obligations are turned to be impossible and the debtor must be responsible for one of these, if he chooses, he must pay the value of the obligation turned the last to be impossible. If the right to choose is given to the creditor, he has the right to ask for the amount of one or the other type of obligation.

CHAPTER IV

DIVISIBLE AND INDIVISIBLE OBLIGATION

Divisible Obligations

Article 442

If several debtors participate to the same obligation and the obligation is divisible, each debtor is obligated to perform it and each creditor is entitled to require an equal part of the obligation, unless the contract or by law is provided otherwise.

Indivisible Obligations

Article 443

If several debtors are liable to the same indivisible, all the debtors are called joint liable debtors. The obligation is indivisible due to its character and purpose of the parties of the contract. In such cases, the obligation remains indivisible for the heirs of the debtors, too.

Article 444

The indivisible obligations are regulated by the provisions concerning the joint liable obligations, besides what provided in this chapter.

CHAPTER V

PECUNIARY OBLIGATIONS

Article 445

The obligation to pay a fixed amount of money is paid off by its nominal value, unless otherwise provided for by the law or by the contract.

Article 446

The pecuniary obligation is performed in the currency, which is in circulation in the state where the payment is made or in the currency provided in the contract.

Article 447

If the creditor holds a bank account in the state where the payment should or may occur, the debtor can perform the obligation by crediting in this account the respective amount, unless the creditor has excluded the payment in this account.

The payment is considered concluded at the moment of its crediting in the account.

Article 448

The payment occurs in the residence place of the creditor in the date of payment. The creditor can fix another place within the territory of the state where he has his residence at the time of payment or at the time the obligation arises.

Article 449

If the payment must occur in a place other than the residence place of the creditor at the time the obligation arises and the fulfillment of this obligation would become too difficult, the debtor can suspend the payment until the creditor has defined another place which would avoid the excessive expenses.

Article 450

The indemnification for the caused damage as a consequence of the delay in payment of an amount of money, consists in the mature interests of delay, to be calculated from the date of initiation of delay of the debtor in the official currency of the place of payment. The percentage of the interest of delay is defined by law.

By the end of each year the matured interests of delay are added to the obligatory amount in which their calculation is based.

The legal interest of delay is paid without obliging the creditor to evidence any damages. If the creditor evidences that he has experienced a damage higher than the interest of delay, the debtor is obliged to pay to him the other part of the damage.

Article 451

If the obligation is connected with the payment of an amount of money in a currency which does not have an official rate in the state in which the payment occurs the debtor has the right to perform the obligation in the currency which has an official rate in the state in which the payment will occur, unless otherwise provided by law or in the contract.

Article 452

If the obligation is related to the payment of a certain amount of money in a currency other than the currency of the place in which the payment should occur and the debtor retains that he is not able to pay off the obligation in that currency, the creditor can accept the payment off in the currency of the place where the payment occurs.

The above rule is applied even if the debtor is obliged to pay in the currency agreed initially.

Article 453

If the obligation has to be performed in a currency other than the currency agreed initially, the converting must be made at the official exchange rate of the day of payment.

Article 454

Article 450 of this Code does not waive the right of the creditor to require the compensation of the caused damaged due to the fact that at the day that the delay of payment starts, the exchange rate of the currency defined in the obligation has changed.

TITLE II

PERFORMANCE AND REMISSION OF OBLIGATIONS

CHAPTER I

PERFORMANCE OF OBLIGATIONS

Article 455

The debtor and the creditor must show the due diligence and they must be prompt in performing the obligation, pursuant to its content.

Article 456

The obligation for delivery of a particular good includes even the diligence that must be shown for its conservation in delivery.

Article 457

If the object of obligation is the delivery of the goods defined only in kind, the latter can not be of a lower quality than the average quality.

Article 458

The delivery of the objects occurs pursuant to the way defined in the contract, and if not defined, occurs:

- a) by hand delivering these to the person who has acquired the ownership of these to the person that removes rights from him;
- b) by delivering to the transporter or to the mail service to deliver them to the winner in the place indicated by him;
- c) by hand delivering to the winner or by sending via mail the documents (loading bill, depositing attestation) which give to him the right of disposal of the good.

Article 459

Without the consent of the creditor, the debtor can not perform partially the obligation even in the case when the latter is divisible.

Article 460

The obligation can be performed even by a third person who is not a debtor, unless the creditor is interested that the performance should occur by the debtor, or if the objection of the debtor has been communicated to the creditor.

The obligatory place of performance

Article 461

If the place where the obligation should be performed is not defined in the contract, by the law or is not possible to identify it by the nature of the obligation, the performance occurs:

- a) for the delivery of an immovable property, at the place where it is located;
- b) for the goods defined individually, at the place they were located when the obligation arose;

- c) for the delivery of a good defined in kind and in quantity, in the place where the debtor exercises his professional activity or in his place of residence;
- ç) for the monetary obligation, pursuant to the rules defined in chapter V of part IV of this Code.

Article 462

The creditor can not be obligated to accept anything other than the one defined in the object of obligation even if the offered value of this thing is higher.

The term of performance of the obligation

Article 463

The performance of the obligation must occur on the time defined in the contract. If in the contract is not defined a term or if the performance of the obligation is on demand, the creditor can demand the performance in any time and the debtor must perform it within the fifteen days from the day of the request.

Article 464

The time defined in the contract is presumed as defined in favor of the debtor, unless from the will of the parties or the nature of the obligation results otherwise.

The performance of the obligation before the end of the term is considered invalid, unless the term is defined in favor of the creditor.

Article 465

The debtor can not pretend the right for the term if:

- a) he has bankrupted;
- b) he has not given the promised guaranties;
- c) the guaranties, which assure the credit is diminished because of the debtor's fault, unless those remain, are still a sufficient security for the performance of the obligation.

The performance toward the creditor

Article 466

The performance of the obligation must occur to the creditor or to his representative, or to another person authorized by the creditor, law or court.

The performance of an obligation to a person not authorized to accept it, releases the debtor only if the creditor has accepted latter the performance or is certified that he profited from it.

Performance to the third parties

Article 467

The debtor performing an obligation to a person, who pursuant to non-suspicious circumstances seems to be authorized to accept it, is released by the obligation if he proves that he has been in good faith.

The person that has accepted the performance of the obligations is obliged to restitute to the real creditor what he has taken by the obligation performance.

The performance to the creditor incapable to act

Article 468

If the performance of an obligation occurred to a creditor incapable to act, the debtor is released from the part of the obligation passed in favor of this creditor, or of his legal representative.

The performance of several obligations

Article 469

If the performance occurred in the account of many obligations and toward the same creditor, the debtor can define at the time of performance which obligation is performing.

When there is no definition of the debtor for the row of the performance, firstly is performed the obligation with an expired term, and if there are more of this kind, the performance starts from the pecuniary` obligation and if they are several of this kind, the performance starts by the oldest one and when the obligation dates the same date, the obligation is performed proportionally.

Article 470

The pecuniary performance for the account of a specific obligation, includes in the beginning the payment off of the expenses, then of the matured interests of delay and then of the obligation itself and of the usual interests of delay.

The creditor may refuse the payment, if the debtor during the performance defines another kind of order for the payment or may not accept the payment off of all the obligation sum, without receiving the continuing matured interests of delay as well as the respective expenses.

Article 471

The creditor may not accept the performance of the obligation, for the delivery of an object different from the one provided in the contract even if the value of this offered object would be equal or higher.

The expenses of the performance, the respective receipt

Article 472

The expenses are in charge of the person who performs the obligation, and the expenses for the receipts are in charge of the person in favor of whom is issued the receipt.

Article 473

The creditor issues a receipt for any payment occurred in performing the obligation, unless otherwise provided in the contract.

In case the creditor possesses a document by the content of which results the obligation, the debtor performing it can ask for the restitution or even nullification of the document, unless the creditor has reasonable interest concerning its conservation and conditioned by the fact that he shall reflect in the document the performance of the obligation.

If the creditor refuses to perform the obligation pursuant to the above paragraph, the debtor can suspend the performance of the obligation. When the creditor claims that he has lost the document, he is obliged to provide the debtor a written declaration in which is accepted the performance of the obligation. The declaration shall be notarized in case required by law.

Article 474

If same payments for the paying off of the obligation should occur periodically, the issued receipts for two subsequent payments in a row presume the occurrence of the former payments as well.

The issued receipts from the creditor for the principal obligation presume that the interests of delay of this obligation are paid off as well.

The release of the products from the guaranties

Article 475

The creditor, who has accepted the performance of the obligation, must release the objects from the real guaranties given for the security of the obligation performance from any other prohibition that can limit the usage of the property.

CHAPTER II

“THE EFFECTS OF THE NON PERFORMANCE OF THE OBLIGATIONS”

“GENERAL PROVISIONS”

Article 476

Any default in performing the obligations forces the debtor to compensate the damage caused to the creditor unless he proves that the non-performance of the obligations is not caused by his fault.

In this case the creditor has the right to:

a) ask for the performance in nature of the obligation, especially the delivery of the item or performance of the works, as well as the compensation of the caused damage by the delay of the performance, or:

b) the compensation of the caused damage by the non-performance of the obligation.

Article 477

The debtor using in the performance of the obligation the work of the third persons is responsible for their actions, performed by their fault, considering the actions as his ones.

Article 478

When the obligation is related to actions that can be exercised even from other persons and the debtor, does not perform the obligation, the creditor has the right to request to perform himself on behalf of the debtor.

Article 479

Any agreement that dismisses or limits the parties from the responsibility of the non-performance of the obligations is not valid.

Article 480

When the performance of the obligation is turned to be impossible for the fault of the debtor the creditor has the right to request from him the compensation for the caused damage.

The debtor is culpable, when intentionally or because of carelessness has created circumstances making impossible the performance of the obligation or if he did not take measures to prevent it.

Delay of payment of the debtor

Article 481

The debtor who does not fulfil an obligation in the required defined term is considered in delay, unless when the non-performance is the consequence of the circumstances that do not relate with the fault of the debtor.

The debtor is placed in delay by means of a written notice.

It is not necessary the placement in delay when:

a) The Debtor has declared in a written form that does not want to perform the obligation.

b) The term within which the obligation would be performed has passed.

When the debtor dies and the defined term for the performance of the obligation is passed after his death, his heirs are considered in delay after the termination of the 15 days from the day of the written notification by the creditor.

c) When the obligation derives from an illegal act.

Article 482

The debtor who is in delay of payment is not released from the sudden impossibility of the fulfillment of the obligation even if this would be caused without his fault and of the creditor, besides when he proves that the object of the obligation would be destroyed or damaged even it would have been under the care of the creditor if the creditor would take care of it.

The loss or the damage of a thing taken in an illegal way does not release the person who has taken it from the obligation to return its value.

Article 483

The dispositions on delay of payment are not applied for the obligations that include non-actions. Any opposite action constitutes a non-performance of the obligation.

Article 484

The creditor may not accept the offer of the debtor who is in delay of payment for the performance of the obligation, if it does not include the compensation of the caused damaged and the expenses done during the delay, or when the creditor because of the delay of the debtor does not have any interest for the performance of the obligation.

Article 485

The debtor who has a credit toward his creditor that can be claimed, can suspend the application of the obligation till at the payment of the credit on the condition that between the credit and the obligation should be a sufficient relation, as it can be among others, the existence of a unique legal report or the existence of the relation that the parties had regularly.

The suspension of the performance of the obligation can not be required when:

a) the performance from the other party turns to be impossible because the delay of payment of the creditor, or is impossible permanently;

b) the credit of the other party can not be sequestrated.

Article 486

The damage that should be compensated by the debtor for the non-performance of the obligation is composed by all the losses caused by the diminishment of the property as well as by the profit that can be obtained in the usual conditions of the market (the absent profit). In the compensation for the repair of the damages are included also the reasonable and necessary expenses for the prevention or diminishment of the damage that are related to the circumstances on which is based the responsibility of the party, the reasonable and necessary expenses to define the damage and the responsibility as well as those which have been necessary to find non-trial solution of the performance of the obligation.

Article 487

In the contracts with two-sided obligations, the parties should perform their obligation at the same time, unless from the contract or nature of the obligation results that one party should perform its obligation before the other.

Article 488

When in a contract with two-sided obligations, the performance of the obligation of one party is turned to be impossible without being the fault of any of the parties, each of them does not have the right to require from the other party the performance of the obligation or the compensation of the damage, unless in the law or in the contract is provided otherwise. Each of the parties has the right to require from the other to restitute what it has been given to it for the performance of the obligation.

Article 489

If in a the contract with two-sided obligations, the performance of the obligation of one party is turned to be impossible, because the other party has payment inability, or it is bankrupted or because of any other circumstance caused by its fault, the other party has the right of non-performance of its obligations till it will be guaranteed the performance of the obligation in its favor or till it will require the compensation of the caused damage by the non-performance of the contract.

Article 490

When it is decided that to the creditor should be paid the compensation of the non-performance of the obligation or the compensation for its performance in delay, the court taking in consideration the state of the property of the debtor, can fix another term for the payment of this compensation or can allow the payment by installments.

Delay of payment of the creditor

Article 491

The creditor is in vonesa when without any legal reason does not admit the performance of the obligation by the debtor or when because of the circumstances caused by his fault does not fulfil the obligation toward the debtor, without which the debtor can not perform his obligation.

Article 492

When the creditor is in delay, the debtor has the right to require the compensation of the caused damage by it and he is released from the responsibility if later the performance of the obligation is turned to be impossible, unless the impossibility of the performance is caused by his fault.

In the first obligations, when the creditor is in delay, the debtor does not pay any interest of delay.

Article 493

When the damage caused by the non-performance is caused or is added also by the actions or non-actions because of the fault of the creditor, or when he has not shown the required care for the diminishment of this damage, the court according to the case can diminish the amount of the compensation of the damage or can release completely the debtor from the obligation of his compensation.

Article 494

The creditor during his delay of payment can not require to be taken measures for an obligatory performance.

Article 495

When the creditor is in delay of payment or he can not be found, the debtor has the right to perform the obligation depositing the object to a person who exercise a depositing activity or in a place set by the court of the performance place of the obligation. When the object of the obligation is money, letters or valuable documents or valuable objects these are deposited in the bank.

With the depositing the interest of delay is interrupted.

In cases when the depositing requires big expenses, it is done with difficulty or the object that is in can be ruined quickly or because of its nature can not be deposited, the debtor, after he has notified the creditor, requires by the court to be allowed to sell the above-mentioned object and the value of its selling will be deposited in the bank of the state in the name of the creditor.

When the debtor draws the deposited object before the creditor has admitted it, the depositing will be considered as non-existent.

The depositor delivers the object to the creditor only after he will pay for all the expenses of the performance of the obligation.

CHAPTER III

REPLACEMENT AND TRANSFER OF THE CREDIT

Article 496

The replacement of the debtor with another person, who will take on him the obligation can occur only with the approval of the creditor. The replaced debtor is released from his obligation toward the creditor.

The guaranties given from the third persons for the obligation are extinguished if they have not given their approval that they will remain even for the new debtor. Pledge or mortgage given from the former debtor are still in force.

Article 497

The new debtor can direct to the creditor all the rejections that derive from the obligation that he has taken on him and that could have been directed also from the former debtor, except those that are related with the person of the latter.

Article 498

The agreement according to which the debtor and a third person become co-debtors in an obligation, after the consent of the creditor is taken can not be breached or changed without the consent of the creditor. The two co-debtors have a joint liability toward him.

Transfer of credits

Article 499

The creditor can transfer his credit to another person even without the approval of the debtor, on the condition that the credit should not have a closed personal character and law should not restrict its transfer. Especially it is not allowed the transfer of the credit to another person when it comes from the cause of the death or damage of health as well as of the credits that can not be sequestrated.

The parties in an agreement can exclude the transfer of a credit, but the agreement can not be against the person to whom the credit will be transferred if not proved that he was aware about it in the moment of transfer.

Article 500

The credit is transferred together with the privileges, guaranties and other accessories, including the interest of delay for the time passed, unless in the contract is provided otherwise.

The person who transfers the credit can not transfer to the other person the possession of the pledged object without the approval of the other party (pledgor). Otherwise the creditor will remain the guard of the pledge.

Article 501

The transfer of the credit should be done in a written form, otherwise it is not valid.

Article 502

The transfer of the credit has effect toward the debtor and toward the third persons, starting from the day the debtor has accepted it or has been notified by the former creditor or by the new creditor.

The debtor who performed his obligation, before being notified for the transfer of the credit is released from the obligation.

CHAPTER IV

THE EXTINCTION OF OBLIGATIONS

Renewal

Article 508

The obligations are extinguished by renewal, when the parties by agreement replace the initial obligation with another obligation different from the first.

Article 509

Guarantee, pledge and mortgage of the initial credit are extinguished unless the parties have expressly agreed that they remain even for the new credit.

Article 510

Renewal is invalid if the initial obligation is invalid.

If the initial obligation derives from a rescinded title, the renewal is valid in case the debtor has taken upon him the new obligation, acknowledging the vice of the initial title.

Article 511 Remission of the obligation

The written declaration of the creditor for the remission of the obligation, extinguishes it, in case it is notified to the debtor, unless the latter declares within a certain time of period that he does not wish to profit from the remission.

Article 512

When the debtor possesses the private document that proves the obligation is presumed its extinction by remission, unless it is proved that the creditor has not voluntarily returned the document.

Article 513

The removal of the guarantee toward the obligation does not presume its forgiveness.

Compensation

Article 514

When two persons have receptive obligations in cash or in goods of the same kind and replaceable and their obligations are on demand, precise and fixed by sum or by quantity, the obligation of both parties are extinguished, compensating each other. The obligations are extinguished up to the sum or the quantity of the smaller obligation.

Article 515

The compensation extinguishes both obligations from the day of their merge.

When for one of the credits or for both of these the interests of delay are paid, the compensation is done up to the last period in which the interests are paid.

The statute of limitation does not prevent the compensation, if it is not completed the day both obligations are merged.

Article 516

The compensation is done by means of a declaration sent from one party to the other. The declaration can not be done with a term or a condition.

When the compensation does not cover all the credit or when the creditor needs to hold the title of the credit for exercising its other rights, he can keep it on the condition of indicating in the title the content of the declaration and that a copy of the title of the credit is given to the other party.

Article 517

When the compensation declaration of one party, is not accepted from the other one, the latter is obliged to immediately notify the party that has sent the declaration, stating the reasons of non-acceptance.

Article 518

It can not be compensated without the creditor's approval:

- a) the credits deriving from the cause of death or of the damage of the health;
- b) the credits that can not be seized;
- c) the credits deriving from the taxes and fees.

Article 519

The compensation can not be performed when it is on the damage of third persons that have acquired usufruct's and pledge rights on the credit.

Article 520

The guarantor may address the compensation of the creditor's obligation towards the principal debtor. The principal debtor may not address the compensation of the creditor's obligation towards the guarantor.

Article 521

When two obligations are not payable at the same place, their compensation can not be done, unless by calculating the necessary expenses for their transfer in the place of execution.

Article 522

When the credits and the monetary obligations are included in one sole account, they are compensated immediately, according to the order accepted by the parties by agreement and in the absence thereof according to the regulation so provided in articles 469 and 470 of this Civil Code.

The party administering the account, after closing it with the compensation, notifies the other party for what remained from the obligation, the precise date of the calculation, as well as the items composing of the account and not notified yet notified to the other party.

If the other party does not reject it within a reasonable time limit, the notified remained part of obligation is considered as accepted from the parties.

Article 523

When in a compensation declaration are not sufficiently stated the obligations included into the compensation, the rules provided in article 470 of this Code are applied.

Each party may reject immediately the compensation, if the calculation of the obligation, expenses and of the interests has not been made according to the above mentioned regulations.

The merge of the qualities of the debtor and creditor in one sole person

Article 524

The obligation is extinguished when the qualities of the debtor and creditor are merged in one sole person.

When this merge is over, the obligation rises again.

Article 525

The merge does not take place in case it damages third persons who have acquired usufruct and pledge rights on the credit.

Extinction for impossibility of performance

Article 526

The obligation is extinguished when its performance is turned to be impossible without to the debtor being culpable and before he is put in delay.

The obligation is extinguished even when the debtor even though in delay, evidences that the impossibility would have existed even if the creditor had been in his place.

In these cases, the debtor must turn to the creditor what he won without cause.

Article 527

In case of temporary impossibility for the execution are, the debtor is not responsible for the delay of the performance for the time it lasts.

However, the obligation is extinguished even when the impossibility lasts for that long, as according to the title of the obligation and its nature, the debtor can not be obliged to perform it or the creditor has not more interests.

Article 528

When the performance of the obligation is turned to be impossible only partially, the obligation is performed for the part that can be performed.

Article 529

When the object of the obligation is the delivery of one good and it is damaged entirely, or is lost without the fault of the debtor and before he is put on delay, the creditor enters on the rights of the debtor regarding this good, due to the fact that caused the impossibility of the performance of the obligation. The creditor has the right to ask from the debtor what he has taken as the result of the indemnification of the damages.

CHAPTER I

GENERAL PROVISIONS

Article 530

A creditor may be compensated with all the present and future property of this debtor, except in the cases set forth by the law.

A property may be encumbered by its owner for securing the payment of an obligation.

Article 531

Creditors have equal rights to be paid out of the property of the debtor, subject to lawful causes for preferences.

Privileges, pledges, and mortgages are lawful causes for preference.

Article 532

A pledge or a mortgage may be imposed only for an effective obligation.

A pledge or a mortgage may be imposed for an obligation of the pledgor or mortgagor, as well as for an obligation of a third person.

Article 533

A pledge or a mortgage may guarantee a present or future claim. The claim for which the guarantee is given must be clearly defined.

A pledge or a mortgage may be imposed also for a conditional obligation.

Article 534

A pledge or a mortgage may be imposed respectively upon all works that improve the value of the property, claims, and compensations which are added to the property, or replace the encumbered property, including even the property that will be compensated from the deterioration.

Article 535

If things subject to pledge, or mortgage are lost or have deteriorated, the sums due by insurers or the third parties, responsible to indemnify such loss or deterioration, are bound to secure satisfaction of claims guaranteed by pledge or mortgage, unless such sums are used to make up for the loss or deterioration of the property.

Article 536

When the property given in pledge or subjected to mortgage is lost or has deteriorated, even if as a result of a fortuitous event, in such manner as to become insufficient for the security of the creditor, the latter can demand that adequate security be furnished to him on other property and, in the absence thereof, he can demand immediate payment of his claim.

Article 537

The pledge and the mortgage are indivisible even in case when the obligation is divisible.

Article 538

When a pledge or a mortgage are imposed to secure an obligation of a third person, the pledgor or mortgagor may address to the creditor all rejections that the debtor might address, and to request the compensation of the obligation with claims that the debtor has against the creditor.

Article 539

When a creditor has not been paid completely by the pledge or mortgage, he has the right to receive the portion of the claim unpaid from any other property of the debtor, but the creditor has not the right of the privilege towards other creditors, as he enjoyed the privilege for the pledge or mortgage.

Article 540

Any agreement establishing that, upon failure to pay the claim within the fixed time limit, ownership of property mortgaged or given in pledge passes to the creditor, is invalid.

CHAPTER II - PENALTY CLAUSES

Article 541

In cases of failure or default of obligations, parties may establish in their contract the payment of an amount of money, or the performance of a secondary obligation, for damages or for enforcing the performance of the primary obligation.

Article 542

A creditor cannot ask at the same time for both payment of the penalty clause and the performance of the obligation.

Article 543

When a penalty clause is defined in case of the failure of the obligation and the debtor does not perform his obligation, the creditor has the right to request the payment of the penalty clause, as well as the compensation for the portion of the damage exceeding the penalty clause.

When a penalty clause is defined in the case of default and the debtor does not perform properly his obligation, the creditor has the right to request the performance of the obligation and the payment of the penalty clause, as well as the compensation of the portion of the damage exceeding the penalty clause.

Article 544

When a penalty clause is too high in comparison with the damage suffered by the creditor, the court with the request of the debtor may reduce the penalty clause up to the rate of the damage suffered.

Article 545

The agreement for the penalty clause is required to be made in writing, regardless from its measure and the form requested for the main contract.

CHAPTER III -.PLEDGES

Definition

Article 546

A pledge is imposed on a movable property, a right towards a bringer, by order, or upon the usufruct of this property, or right. A pledge is established placing the property or title in ownership of the creditor, or a third person agreed between parties.

Contract form

Article 547

A pledge contract is required to be in writing or to a public notary, otherwise it is invalid.

This contract must include a description of the property given in pledge. In the case of pledge of parts, the pledge must be registered in the book of members of the company. In the case of pledge of shares, the pledge must be registered in the shares book, in shares given in pledge.

May be given in pledge all or a part of assets used in an enterprise which act as an active concern. In such a case the pledge is effective when assets are given to a third party, or a creditor, who are required to manage them as an indivisible active concern.

Creditor protection

Article 548

A creditor who has lost possession of the thing received in pledge, besides the possessor action can bring the action of revendication, if the pledgor was entitled to such action.

Article 549 Rights and obligations of parties

The creditor is bound to safeguard the thing received in pledge and is answerable, in accordance with general rules, for the loss or deterioration of such thing.

The pledgor is bound to make reimbursement of the expenses incurred in the protection and maintenance of the thing.

Article 550

Unless otherwise agreed, if a fruit-bearing thing has been given in pledge, the creditor is entitled to appropriate the fruits, imputing them first to expenses and interest and then to principal.

Article 551

The creditor cannot, without the consent of the pledgor, use the thing pledged, unless such use is necessary for its protection and maintenance.

He cannot give it in pledge or grant the enjoyment of it to others.

Article 552

If the creditor misuses the thing given in pledge, the pledgor can demand sequestration of it.

Article 553

The pledgor can not demand restitution of the thing unless the principal and interest have been entirely paid up and the expenses connected with the debt and with the pledge have been reimbursed.

If a pledge was established by a debtor who has another debt towards the same creditor, and such debt, arising after the establishment of the pledge, has matured before the payment of the previous debt, the creditor is only entitled to retain the thing pledged until both principals have been entirely paid up.

Article 554

If the thing given in pledge deteriorates in such a way as to cause concern that it may become insufficient as security for the creditor, the latter, with advance notice to the pledgor, can request authorization from the court to sell the thing.

In his provision authorizing sale, the court also provides for the deposit of the purchase price to guarantee the claim.

The pledgor can avert the sale and cause the return to him of the thing pledged by offering other real security acknowledged by the court to be adequate.

In case of deterioration or diminution in value of the thing given in pledge, the pledgor can also demand authorization from the court to sell the property, if a favorable opportunity for sale arises.

In its provision authorizing the sale, the court also provides for the conditions of such sale and the deposit of the purchase price.

Article 555

When things given in pledge may be destroyed, damaged or expropriated for public interests, creditors who are secured with pledge, have the right to be paid with preference, according to the order of the preference that their claims have had, from the amount of the compensation of the property, or from its expropriation price.

Article 556

Before proceeding with the sale the creditor shall, through the court, submit to the debtor a demand of payment of the debt and his accessories, warning him that if he fails to comply with the request the thing will be sold. The notice shall also be submitted to the third person pledgor, if any.

If no objection is raised within five days from such notice, the creditor may sell the thing through an auction or, if it has a market price, he can also sell it at the current price through a person authorized to make such sales.

When some things are given in pledge, the court, acting upon the objection of the pledgor, limits the sale to the one of several things pledged whose value is sufficient for payment of the debt.

The parties can agree on other procedures for the sale of the thing given in pledge.

Article 557

The pledge, is bound to collect at maturity the claim received in pledge, and if the claim has as its object money or other fungible things, he shall deposit them, upon request of the debtor, in the place agreed upon or otherwise in the place determined by the court. If the claim secured by the pledge has matured, the creditor can retain from what he received an amount sufficient to satisfy his rights, returning the balance to the pledgor.

Article 558

The creditor can always petition the court that the property be awarded to him in payment up to the payment of the debt, according to an appraisal to be made by experts, or according to the current price if the thing has a market price.

Article 559

If the claim given in pledge is shown by a document, the pledgor is bound to deliver such document to the creditor.

CHAPTER IV - MORTGAGES

Mortgage definition

Article 560

A mortgage is a real right which can be imposed on the property of a debtor or of a third party, in the benefit of the creditor, to secure the fulfillment of an obligation.

Property subject to mortgage.

Article 561

The following can be mortgaged:

- 1) immovable things
- 2) the usufruct of such immovable except legal usufruct of parents, and the emphyteutic rights of such immovable things.

Types of mortgages

Article 562

A mortgage is imposed on the basis of a contract or law and after being inscribed. The contract is required to be done with a public notary act.

Legal mortgage

Article 563

The following are entitled to legal mortgages:

- 1) the transferor, on the immovable transferred by him, for the fulfillment of obligations arising from the transaction effecting the transfer;
- 2) co-heirs, members of companies with economic activity and other co-partitioners, for the payment of adjustments concerning the immovable allocated to the co-partitioners charged with such adjustment obligation.

Article 564

Servitude whose establishment was transcribed after the inscription of a mortgage, cannot be set up against the mortgage creditor.

The above provision applies in the case of rights of usufruct, use and habitation.

Judicial Mortgage

Article 565

The court decision to pay a sum or to perform another obligation, or to compensate for damages to be subsequently liquidated, constitutes the basis for inscription of a mortgage on the property of the debtor.

A mortgage can be inscribed on the basis of an award of arbitrators, when such award has been made enforceable.

Article 566

If a mortgage is granted by a person other than the owner of the property, inscription of such mortgage can be validly made only after the property has been transferred to such grantor.

Mortgage on future property

Article 567

A mortgage on future property can be validly inscribed only when such property comes into existence.

Mortgage extend

Article 568

A mortgage secures principal as long as it will be matured, including interests, damages caused by the delay of execution, as well as expenses made for giving the claim.

Article 569

A mortgage established on his share by one of the participants in common ownership is effective with regard of such property, or such portion of it as will be assigned to him in the partition.

If in the partition, a co-owner is awarded property other than that mortgaged by him, the mortgage is transferred to such other property with the same ranks that deriving from the original inscription and to the extent of the value of the property previously mortgaged, provided that such mortgage is again inscribed, within 90 days from transcription of the same partition.

Place of inscription

Article 570

Mortgages are inscribed in the office of immovable property records of the place in which the immovable is located.

Article 571

Obligations deriving from titles by order or to holder may be guaranteed with mortgage.

Effects of inaccuracies of the act

Article 572

A mortgage is invalid, when the mortgage contract, or the basic act through which the mortgage is imposed, or the application for imposing the mortgage, on the basis of law, involves inaccuracies as to the identity of the creditor or of the debtor or of the identity of the owner of the encumbered property, or uncertainty as to the identification of the individual items of property which are being encumbered or of the amount of the claim.

Inscription costs

Article 573

Unless otherwise agreed upon, the inscription costs for a mortgage are chargeable to the debtor, but shall be advanced by the applicant.

Rank of mortgage

Article 574

A mortgage becomes effective and ranks from the date of its inscription even if it is inscribed for a future or conditional claim.

Article 575

The serial number of the inscriptions determines the rank thereof. However, if different persons simultaneously present their notes to obtain inscription against the same person or on the same immovable things, inscriptions are made under the same number and this fact is mentioned in the receipt delivered by the keeper of immovable property records to each of the applicants.

Article 576

Mortgages inscribed with the same rank and on the same property concur one with the other in proportion to their respective amounts.

Article 577

Inscription of a claim places in the same rank of priority the expenses relating to the instrument establishing the mortgage, those incurred for inscription and renewal, and the ordinary expenses necessary for participating in the enforcement proceedings.

The inscription of an interest-bearing principal causes the interest thereof to be placed in the same rank of priority, provided that the rate of such interest is mentioned in the inscription.

In this case the interest is limited in two years prior to and of the year current at the date of the attachment, and until the closing date of the forced execution.

Period of validity of inscription

Article 578

Inscription is effective for the period of twenty years from its date. Inscription ceases to be effective unless it is renewed before the expiration of such time limit. After the expiration of the time limit indicated above, the creditor can proceed with a new inscription, but in this case, the mortgage ranks and becomes effective against the third parties according to the date of such new inscription.

Article 579

Transferring a mortgage credit to a third person and imposing sequester on this credit becomes effective after the appropriate note is made in the mortgage register.

Article 580

If a creditor with a mortgage on one or more immovable things incurs a loss because another creditor with a prior claim, whose mortgage extended to other properties of the same debtor, has satisfied all or part of his claim from the sale price of such immovable or immovable things, he can be subrogated to the mortgage inscribed in favor of the satisfied creditor for the purpose of judicially enforcing the mortgage on such other properties, with preference over other creditors whose inscription has a later rank of priority. Creditors who sustain losses by reason of said subrogation have a similar right.

Reduction of Mortgages

Article 581

Reduction of mortgages is made by limiting such inscription to only a part of the property, or reducing the sum for which inscription was effected.

Article 582

No demand for reduction of the amount of the property or of the sum is accepted when such amount or sum has been fixed by agreement or by a court decision.

However, if partial payments sufficient to extinguish at least one-fifth of the original debt have been made, a proportionate reduction of the sum can be demanded.

In the case of a mortgage inscribed on a building, the mortgagor who has built superstructures after the inscription can demand a reduction of the mortgage, thus exempting therefrom such superstructures.

Mortgage Extinguishment

Article 583

Mortgage is extinguished:

- a) by the extinguishment of the obligation;
- b) by the loss of the mortgaged property, implementing the rights established by article 536 of this Code;
- c) by renunciation on the part of the creditor;
- ç) by payment of the sale price to creditors secured with mortgage through the obligatory execution, on the basis of the rank of their inscriptions;
- d) by the expiration of the time within which the mortgage was limited.

Cancellation of Inscription

Article 584

The inscription of a mortgage is canceled:

- a) by consent of the creditor given by a notarized-act;
- b) by a final court decision which orders the cancellation.

The cancellation of inscription extinguishes the mortgage. When the cause for extinguishing the obligation is declared invalid, the mortgage arises and is again inscribed, but the inscription takes a new serial number.

CHAPTER V - SURETYSHIP (GUARANTEES)

Definition

Article 585

A suretyship is a juridical action through which a person (surety) secures the performance of the obligation of another (primary debtor) by binding himself personally to the creditor.

A suretyship is valid even if the debtor has no knowledge of it.

Article 586

A suretyship is valid only for an effective obligation.

A suretyship can be undertaken even for a future or conditional obligation.

Form and validity

Article 587

A suretyship is required to be made with an official document.

Article 588

A suretyship is not valid unless the primary obligation is valid,
A suretyship can be undertaken for the primary debtor as well as for the surety of a primary debtor.

Effects of the suretyship and obligations of parties

Article 589

A surety is answerable for the amount owed by the primary debtor, including the penalty for late payment, the compensation for the damage caused by the late execution and other expenses made by the contractor for his claim, unless in the agreement was accepted that the suretyship should be undertaken even for a portion of the debt, or under less burdensome conditions than the primary debt.

Suretyship which is in excess of the debt or which is contracted under more burdensome conditions is valid to the extent of the primary obligation.

Article 590

A surety is bound in solido with the primary debtor for the payment of the debt, unless otherwise agreed.

The parties can agree that the surety shall not be bound to pay before the performance of all necessary operations which enforce the debtor to pay the debt. If the surety in such case is sued and intends to use such a right, he shall indicate the assets of the primary debtor on which execution is to be levied. Unless otherwise agreed between parties, the surety is bound to advance sums for necessary expenses.

Article 591

If more than one person has undertaken suretyship for the same debtor to guarantee payment of the same debt, each surety is liable for the entire debt, unless when exist an agreement for its division.

Article 592

A surety has the right to set up against the creditor all the defenses available to the primary debtor, and to ask the compensation of the obligation that the creditor has against the debtor even if he has given up from these rights or has accepted the debt.

Article 593

A surety who has paid the debt on behalf of the debtor is subrogated to the rights which the creditor had against the debtor.

Article 594

When there is more than one primary debtor, all liable in solido for the same obligation, the surety who acted for all the debtors has the right of recourse against each for the recovery of the whole amount which he has paid.

Article 595

When a surety has performed the obligation of the debtor without being sued in court and without notifying the primary debtor, the debtor can set up against the surety the defenses which he could have set up against the creditor at the time of the performance of the obligation.

The surety who has performed the obligation of the debtor has not the right to request through the court from the debtor the obligation that he has performed for the debtor, when the debtor himself has performed his obligation because the surety has not notified for the performance of the obligation that the surety did perform himself.

In both cases, the surety has the right to sue the creditor and to request what he has performed for the primary debtor.

Article 596

A debtor who has paid the debt is required to notify immediately the surety. If the debtor fails to notify, the surety, who has paid the debt of the debtor, does not lose the right to ask to the debtor the amount that he has paid for him. In this case, the debtor is enforced to pay for the second time the debt, but he has the right to sue the creditor for what he has benefited without reason.

Extinguishment of Suretyship

Article 597

Suretyship is extinguished when the primary obligation is extinguished.

Article 598

A surety for an obligation is released if the creditor has given up from privileges, pledge, and mortgage, which were imposed to secure his claim, and for this reason such rights cannot be transferred to the surety.

Article 599

When a creditor accepts freely a property, or any other thing, for the payment of the primary obligation, the surety is released from his obligation even if an eviction case should occur later to the creditor.

Article 600

A suretyship is extinguished if the creditor has not sued the surety within six months from the expiring date of the performance of the obligation.

When the deadline of the performance of the obligation is not set forth either in the suretyship contract, neither in another agreement, the suretyship is extinguished after one year beginning from the date when the suretyship contract was signed.

CHAPTER VI - CREDITOR'S REMEDIES

A. Earnest Definition

Article 601

Earnest is a sum of money that one of parties gives to the other which is included in the sum that will be paid on the basis of the contract, for the purpose of binding the contract and securing its performance.

Legal Effects

Article 602

If a contract is not performed because the party who has given the earnest is in default, this party loses the earnest; when the contract is not performed because the party who has received the earnest is in default, this party is obliged to pay back double the amount of the earnest. Unless otherwise established in the contract, the party who is in default is obliged to compensate for damages calculating within the compensation for damages also the sum of earnest.

B. Privileges

Article 603

A privilege is a right which is granted by law taking into account the reason of the claim. Claims which are defined as privileged, have priority against all other claims. Among some privileged claims, the priority of the performance is established by law, according to the type of the privilege.

Article 604

Equally privileged claims concur with each other in proportion to their respective amounts.

Order of priority

Article 605

Claims have preference according to the following order:

- a) claims of employees deriving from labor relationships;
- b) claims for social insurance deriving from the non-payment by employers of contributions together with penalties, as well as claims of employees for damage deriving from the non-payment by employers of the above contributions;
- c) claims for funeral and medical expenses;
- ç) claims of authors and their heirs for compensations deriving from the total or partial transfer of their rights in intellectual property, due for the last two years;
- d) claims of the State arising from obligations against the budget and claims of the Social Insurance Institute for compulsory insurance established by law;
- e) the commissions of the intermediation deriving from the contract of the agency, due for the last year of the service;
- ë) claims secured with pledge or mortgage, from the value of things given in pledge or mortgage;
- f) claims for expenses of judicial proceedings incurred to secure the property and expenses for executions, in the common interest of creditors, from the value of the sale of things;
- dh) claims given from banks and claims arising from voluntary insurance;

g) claims for supplies of seeds, fertilizers and pesticides, or of irrigation waters, as well as claims for work of cultivation and harvest in an agricultural year, on the crops to whose production claims have been used.

Claims mentioned in items "a", "b", "c" and "dh" have a privilege on all the property of the debtor.

Article 606

The creditor can retain the property subject to the privilege until his claim is satisfied, and can also sell such property in accordance with provisions for the sale of pledged property.

Contestation of legal actions of the debtor

Article 607

The creditor has the right to request to declare invalid legal actions of the debtor intending to reduce the quantity or the value of his property to the detriment of the creditor, provided that the claim has been raised before the performance of the legal action.

When a legal action is made with compensation, is required that the person, with whom the debtor has performed this action, has been aware for the purpose of the debtor. But when this person is one of the spouse, parent, grand father, son, grandson, brother or sister of the debtor, the awareness of the intention of the detriment is presumed, unless the contrary is proved.

The decision which declares invalid the legal action does not aggrieve the rights of third persons, acquired from the compensation in good faith before the sue for declaring invalid the legal action was raised.

TITLE IV TORT

CHAPTER I - GENERAL PROVISIONS

Damage Liability

Article 608

A person, who illegally and by fault, causes a damage to another person or his property, is obliged to pay the damage suffered.

A person who has caused a damage is not responsible when he proves that he is not guilty. Damage is illegal when it is a consequence of the violation or injury of interests or rights of the other which are protected by juridical order or by good customs.

Article 609

A damage should derive directly and immediately by the action or inaction of the person.

Not prevention of an event by the person, who is legally responsible to avoid it, charges him with responsibility for the suffered damage.

Article 610

It is invalid the agreement which preliminary excludes or limits liabilities of the person who has performed a damage by fault.

Article 611

It is not liable a person who causes damage to another for self-defense, or for defending another person.

Article 612

A person who has caused a damage under a duress of circumstances to protect his life, or the others, from an instantly danger of a serious damage, danger which has not been caused and could not be avoid by him, is obliged to indemnify the damage. The court, taking into account specific circumstances of the cause, may totally or partially discharge this person by the obligation to indemnify the damage.

Article 613

A minor who is over 14 years of age, is responsible for a lawless damage caused by him.

Parents or tutors, or those who supervise disabled persons to act, are responsible for damage caused by lowness actions of minors under 14 years of age, of persons under their tutelage, and of persons under their supervision and with whom they coexist, but that are not capable to act, except when they prove that they could not prevent the damage.

Article 614

A minor over 14 years of age, is responsible for a lawless damage caused by him.

Parents or tutors are responsible for the above damage when the minor does not work, or he has no property, except when they prove that they could not prevent the damage.

Damage by persons under supervision

Article 615

Teachers and other persons who have under their supervision minors or persons who teach to the others a handicraft or a profession, are responsible for a lowness damage caused to the others by their students or persons that they have under their supervision, or persons who learn a handicraft or a profession by them, caused during the period of time that they have been under their direct supervision, except when they prove that they could not prevent the damage.

Article 616

For a damage is responsible even the person who at the moment of causing the damage was not aware for his action.

The Court may decrease the rate of indemnity, taking into account the age, the grade of awareness for actions performed, as well as financial conditions of parties, except when the person has brought himself in these circumstances for his fault.

Fraudulent or inaccurate publications

Article 617

When it is proved that a person is responsible towards another person because he has published inaccurate, partial, or fraudulent data, the Court, with the request filed by the injured person, enforces the other person to publish a confutation in the manner that the Court should judge proper.

The Court may order publication of the confutation even when it is proved that the publication of data is lawful and not intended, because its author was not aware for inaccuracy or incompleteness of these data.

Employee's liability
Article 618

An employer is responsible for damage caused to third parties by fault of employees who works for him, when they are conducting duties charged by the employer.

A legal entity is responsible for damage caused by his institutions during performance of their duties.

Article 619

A person who conducts activity in the framework of the duty of another person, and according to his instruction, without being his employee, is responsible for damage caused during that activity against a third party.

The other person is also responsible against the third party.

Article 620 Representative's liability

If the activity of a representative during exercising powers for which he is entitled, brings a responsibility by fault against a third party, the representative is also responsible against that person.

Article 621 Liability by using animals

The owner of an animal, or the person who uses it, is responsible for damage caused by his animal, except when he proves that he had under control the animal which caused the damage, and he could not avoid the damage.

Article 622 Liability by exercising a dangerous activity

A person who perform a dangerous activity by its nature, or by the nature of things used, and causes damage to other persons, is required to indemnify the damage, except when he proves that he had used all necessary measures to avoid the damage.

Article 623

The owner of a building, or a construction is responsible for damage caused by defects and any other vice related to their construction, or maintenance.

The owner of the building, or construction has the right to request to persons responsible against him to indemnify damage he has suffered.

Article 624 Liability for environment

A person, who by fault has impaired environment, degenerating, changing, or damaging it, totally or partially, is required to indemnify damage caused.

Article 625 Liability for a non property damage

A person who suffers a damage, different from property damage, has the right to request to be indemnified in the following cases: a) his health is injured, or his honor or ethics are challenged; b) the memory of a deceased person is disrespected, and the spouse with whom the deceased person coexisted up to the day of his death, or his relatives up to the second line have requested, except when the offence is made

when the deceased person was alive, and he was indemnified for the offence. The right of prescription for the above paragraph is not inherited.

Article 626 Solitary liability

When more than one person together have caused damage, they are solitary responsible.

Article 627 Sue for re-compensation

A person who has indemnified damage has the right to request by each person responsible for damage his part in proportion with the degree of the fault of each person and the whole of derived consequences. When this cannot be set, is presumed that the degree of the fault is equal.

Parents or tutors who have indemnified damage caused by minor, or by persons to whom the capability to act is denied, do not have the right to request by these the return of indemnity paid.

CHAPTER II LIABILITY DERIVED BY PRODUCTS

A. Producer's Liability

Article 628

A producer is responsible for damage caused by defects of his products, except when:

- a) the producer has not delivered products;
- b) according to certified circumstances, it is valued that defects that have caused damage did not exist at the time when they were delivered, or when defects were raised later;
- c) products have not been produced for sale, or any other form of delivery, with a defined business aim of the producer, not even produced or delivered in the framework of an enterprise or professional activity;
- d) defects are the consequence of the fact that products have been in accordance with rules decided by public institutions;
- e) scientific and technical acknowledges have not made possible to discover defects at the time when products were delivered;
- e) it is about the production of a row material, of manufacturing a part of products, which in the composition of products reflect defects, or as a result of wrong instructions given by the producer of products.

Article 629

Producer's liability is reduced, or finished when, according to circumstances, damage is caused both by defects of products, and by fault of the person who suffered damage, or of another person for whom the damaged person is responsible. Producer's liability is not reduced when damage is as a result of both defects of products and performance of a third party.

Article 630

A thing is defined with defects when it does not provide with the guaranty that is supposed to be provided, talking into account all circumstances and particularly the following:

- a) presentation of products;
- b) a reasonable use expected from products;
- c) the time of delivery of products.

A product cannot be defined with defects if a more updated product is delivered after it.

Article 631

“Product” according to this Code means a movable thing even if it embodies in another movable or immovable thing, as well as electricity, excluding agricultural products and products derived by hunting.

"Agricultural products" mean land, livestock and fishing products, except when these have been processed.

"Producer" according to this Code mean the producer of ready-made product, a raw material or manufacturer of a component of the product, as well as any other person who represent himself as such (producer), putting over the product with his name, mark, or another distinctive sign.

Without avoiding the producer responsibility, any person who, in the framework of his commercial activity, imports a product for sale, rent, lease, or for any other delivery form, is called a "producer".

Article 632

When a producer cannot be identified, any supplier will be considered as a producer, except when within a reasonable period of time, the supplier let the damaged person know the identity of the producer or the person who has supplied the product.

Article 633

When, according to the first paragraph of article 628 of this Code, more than one person are responsible for the same damage, each of them is responsible for all damage.

Article 634

1. The sue for indemnity filed against a producer, according to the first paragraph of article 628 of this Code, is prescribed within three years beginning from the date when the damaged person has been aware or should have been aware for damage, defects and the identity of the producer.

2. The right of a damaged person against a producer, for indemnity, according to the first paragraph of article 628 of this Code, lapses after 10 years from the date when the producer has put in circulation the product which caused damage.

B) FRAUDULENT PUBLICATION

Article 635

A person who publishes or causes the disclose of a notification related to products or services, which he himself offers in the case of a professional activity, or an enterprise, or another person for which he acts, commits an illegal action if the announcement is fraudulent regarding to one or more items as follows: a) nature, composition, quantity, quality, features or possible uses; b) production origin, manner or date; c) amount of his stock production; c) price or method of its calculation; d) reason or aim of the special offer; dh) qualities attributed, witnesses or evaluations made by third parties, or declarations made by them, scientific or professional terminology used, technical or statistical data; e) conditions of productions delivery, services provided or payment; f) scope, content and expiration time of the guarantee; g) identity, qualities, authorities or rights or the person who manufactures or has manufactured products, of him who offers them or of him who provides the service, who manages, supervises, or assists in these activities; gj) comparison with other products or services.

Article 636

A person who has acted illegally according to the above-mentioned clauses, is responsible for damage caused, except when he proves that he is not guilty for damage.

Article 637

When a fraudulent publication foreseen by article 635 of this Code has caused or may cause damage to another person, with the request filed by the injured person, the court orders to stop immediately the publication and enforces the other person to publish a confutation in the manner that the Court should judge proper.

C) UNFAIR COMPETITION

Article 638

According to provisions connected with protection of distinctive peculiarities and patent-right, actions of an unfair competition are performed by anyone who:

1. Uses names or distinctive peculiarities which may confuse with names and distinctive peculiarities used legally by others, or imitates products of a competitor, or carries out actions which may confuse with products or activity of another competitor;
2. Simulates as of himself qualities of products or enterprise employed by another competitor;
3. Uses himself, directly or indirectly, any other mean which does not comply with principles of professional fairness and may damage activity of a third party.

Article 639

A decision which proves actions of an unfair competition stops continuance of such actions and establishes necessary measures for eliminating consequences.

If these actions are performed for purpose, the person who has committed them is required to indemnify.

CHAPTER III - DAMAGES

Article 640

Damages shall include the loss sustained and the lost profits.

Expenses reasonably occurred to avoid or reduce damage, expenses necessary to determine the responsibility and damage size, as well as all reasonable expenses occurred to secure damages outside the court should be indemnified.

Article 641

A person who has injured another person, is liable to damages, including the loss and reduction of ability to work of the injured person, expenses occurred for his recovery, as well as other expenses related to damage caused.

Article 642

The amount of damages may change in the future, regarding to the improvement or aggravation of health conditions, or increase or decrease of ability to work of injured person, compared with the period of time of setting damages and changes in the wage of the injured person.

Article 643

When the death of a person is caused, damages will include:

a) food expenses for his minor children, his spouse and disabled parents who, totally or partially, have been dependent of the deceased, as well as other persons who have lived with the deceased family and enjoyed from him the right of food;

b) necessary expenses for the funeral of deceased, at the extend that such expenses meet personal and familiar conditions of deceased.

The person who has caused damage may use the same advocate means that he should have used against the deceased.

The Court, taking into consideration all circumstances of the case, may decide that damages to be given in kind or in cash, in lump sum or in installments.

Article 644

When a person who has performed an illegal action, or failed to perform it, besides damage caused has had an obvious benefit, the Court, with the request filed by the damaged party, taking into consideration the type of damage, degree of fault and other circumstances of the case may include, totally or partially, such a benefit in damages.

Article 645

When the death or injury of an insured person is caused, damages are paid according to manners established by law.

Article 646

For an unemployed person, or an uninsured person, the Court has authority to set the measure of damages stemmed by death or injury according to the wage that an employee of that category with which the job that injured person performed or could have performed may be compared.

Article 647

A damaged minor, when he reaches sixteen years old and he does not receive a wage from his work, has the right, instead of the compensation he receives for living, to request to be compensated for his disability for work with the average wage of an employee, according to criteria established by article 646 of this Code.

When a damaged minor reaches 18 years old he has the right that instead of compensation he receives, to ask to be compensated with the average wage of an employee of that category which he should have taken if he shouldn't had been injured.

Article 648

A person, who, without being enforced, deliberately and for a reasonable aim undertakes to administer affairs or interests of third party, is obliged to continue to administer until the concerned person will be able to take care himself.

Article 649

The concerned person is required to fulfill obligations that the administrator has undertaken on his behalf, to exclude the administrator from obligations that he has taken on his own name and to pay him necessary and efficient expenses since they incurred and, when it is the case, to indemnify damage that administrator might have suffered as a result of administration, provided that the concerned person did not try to stop actions performed by the administrator.

When the administrator, except administering affairs, has carried out for this purpose a profession, he has the right to be paid according to prices or tariffs set for such activities.

Article 650

An administrator has the right to perform legal actions on behalf of the concerned person, at the extent that the interests of the later to be satisfied properly.

Article 651

An administrator is subject to the same obligations derived by a contract of mandate.

The Court, taking into consideration circumstances, which have influenced the administrator to undertake the administration, may reduce damages for damage caused by him.

Article 652

A concerned person, with the approval of the activity of the administrator, may withdraw his right to ask for damages from the administrator, according to the above clause. For this purpose the concerned person should be given a reasonable deadline.

TITLE VI. PAYMENT BY MISTAKE

Article 653

Anyone who has made a payment by mistake, has the right to ask to be paid back, as well as to enjoy fruits and interests, beginning from the date of payment, if the person who has been paid is in bad faith, and from the date when the request for repayment is submitted, when the person is in good faith.

Article 654

A person who has paid the debt of another person believing that he was a debtor, on the basis of a mistake performed without fault, may be paid back, provided that the creditor not to be deprived in good faith from the title and guarantees of the loan.

Repayment is required to be associated with fruits and interests, in conditions and terms established by the above clauses.

TITLE VII. UNJUST ENRICHMENT

Article 655

A person who for a legal reason has gain or has saved something damaging another person, is obliged to indemnify the later for losses suffered, within limits of enrichment.

Article 656

When the enrichment without a legal reason has for the target a certain thing, the person who has taken it, is required to return it in kind, together with income generated or that should had generated, and he has the right to ask the payment of expenses incurred, according to provisions for asking the thing from illegal possessor.

Article 657

It can not be returned anything the that the person by his own will has placed for the purpose of performing an obligation, which it is not valid regardless the fact that it is deemed not returnable.

Article 658

The lawsuit on unjust enrichment can not be filed in case the damaged person is entitled to file another lawsuit concerning the remuneration of the damage incurred.

PART V – CONTRACTS

TITLE 1 – CONTRACTS IN GENERAL

CHAPTER I - PRELIMINARY PROVISIONS

Article 659 Content of the Contract

A contract is the agreement of two or more parties to establish, regulate or extinguish a legal relationship.

Article 660

The parties can freely determine the contents of the contract within the limits imposed by law.

Article 661 Bilateral and Unilateral Contracts

The contract is unilateral when one of the parties has obligations and the other does not have any other obligations.

Article 662

The contract is bilateral when both parties have reciprocal obligations towards each other.

Article 663 Requisites of Contracts

The requisites of the contract are: agreement of the party that has undertaken the obligation, the motive for the obligation, the object that forms the content of the contract, and the form as prescribed by law.

Article 664 Formation of the Contract

When the contract contains only the obligation of the offeror, the offeree can reject the proposal within the term specified or that derives from the nature of the agreement. In the absence of such refusal, the contract is deemed to be formed.

Article 665

The offeror is bound by his proposal except when provided differently. When the offer is refused or not accepted within the time provided, the offer lapses.

If no time limit is set for the acceptance, the offeror is bound by the offer for the time that is usually, or according to the circumstances, necessary, for the acceptance of the other party to reach him.

Article 666

The offer of a contract made to a person that is present without a term for its acceptance, loses its power if this person does not accept this offer immediately.

Article 667

When the offeror has specified a time limit for the acceptance, it is necessary for the acceptance to come within that time.

The offeror can treat a late acceptance as effective provided that he immediately so informs the other party.

When the acceptance is sent on time, but it reaches the offeror late, he should inform the offeree immediately if he does not want to be bound by his offer any longer.

Article 668

An offer can be revoked if the offeror notifies the other party, before the offer reaches that party, that he has revoked the offer.

This rule is applied also for the revocation of acceptance.

Article 669

When at the request of the offeror or taking into account the nature of the transaction and circumstances connected to it, results that it is not necessary to wait for an expression of acceptance, or the duty to perform arises without a prior reply, the contract is concluded at the time and place in which performance begins.

The party beginning performance must promptly give notice to the other party and, otherwise he is liable for compensation of damages.

Article 670

An acceptance that does not conform to the offer is a rejection and equivalent to a new offer.

Article 671

The offer is valid when it incorporates the essential elements of the contract that the parties seek to conclude, except when under the circumstances it produces a different result.

Article 672

The contracting party can withdraw from the contract within seven days of its conclusion, without stating reasons, when:

- the contract is concluded at the work place or domicile of one of the parties, during an excursion organized in a public place or in such conditions that do not correspond to a normal negotiating situation;
- in a credit contract for the purchase of a consumable good, the seller should give the buyer written notice of the right to withdraw from the contract with the above conditions, otherwise the period for withdrawal is one year.

Article 673

An enterprise that has a dominant position in the market is obliged to contract with anyone who seeks a contract within its field of activity, according to the laws and commercial customs.

The completion of a contract cannot be refused without a legal reason.

Article 674

During the negotiation and formation of the contract the parties must act in good faith with one another.

A party who knows, or should know, the existence of a reason for invalidity of the contract and does not give notice to the other party is bound to compensate for the damage suffered by the latter in relying, without fault, on the validity of the contract.

Article 675

If one of the contracting parties has professional knowledge and the other party has complete reliance, the first is obliged to give in good faith information and instructions.

Article 676

The contract is completed when the parties have demonstrated their mutual will, agreeing to all the essential conditions.

This expression of will can be expressed or silent.

Article 677 Unlawful Motive

In a contract, the motive is unlawful when it is contrary to mandatory rules, public policy, or when the contract becomes a mean to avoid the fulfillment of a rule.

Article 678 Object of Contract

The object of a contract must be possible, lawful, determined, or determinable.

Article 679

A contract made subject to a cancellation condition or time limit is valid if its performance, which was originally impossible, becomes possible before fulfillment of the condition or expiration of the time limit.

Article 680

The contract can involve performance matters in the future things, except when expressly forbidden by law.

CHAPTER II - INTERPRETATION OF CONTRACT

Article 681

When interpreting a contract, the common and real intent of the parties must be sought, not limited to the literal meaning of the words, and including their overall understanding before and after the conclusion of the contract.

Article 682

Every clause of the contract is interpreted with reference to all the others, attributing to each the meaning resulting from the act as a whole.

The contract shall be interpreted according to good faith.

Article 683

In case of doubt, the contract or the individual clauses shall be interpreted in a manner which they may have some effect, rather than a manner in which they would have none.

Article 684

Ambiguous clauses are interpreted according to the general practice in the place in which the contract was concluded.

In contracts in which one of the parties is an enterprise, ambiguous clauses are interpreted according to the general practice of the place where the enterprise has its headquarters.

Article 685

In case of doubt, expressions which can have more than one meaning shall be understood in the sense most suitable to the nature and object of the contract.

Article 686 General Provisions

Standard conditions prepared by one of the parties are effective as to the other, if at the time of formation of the contract the latter knew of them or should have known of them by using ordinary diligence.

The general provisions that bring about a loss or disproportional infringement of the interests of the contracting parties, are ineffective, especially when they differ essentially from the principles of equality and impartiality provided for in this Code and that regulate the contractual relationships.

In any case conditions are ineffective, unless specially approved in writing, which establish, in favor of him who has prepared them in advance, limitations on liability, the power to withdraw from the contract or to suspend its performance, or which imposes time limits involving forfeitures on the other party, limitations on the power to raise counterclaims, restrictions on contractual freedom in relations with third parties, arbitration clauses, or derogation from the competence of the courts.

Article 687

In contracts made by subscribing to models or forms prepared for the purpose of regulating certain contractual relationships in a uniform manner, clauses added to such models or forms prevail over the original clauses of said models or forms when they are incompatible with them, even though the latter have not been stricken out.

Article 688

In any case the provisions contained in the standard conditions of a contract or in models or forms which have been prepared by one of the contracting parties, are interpreted in case of doubt in favor of the other.

Article 689

When, notwithstanding the application of the rules contained in this chapter, the contract remains unclear, it shall be understood in the sense least burdensome for the obligor, if it is gratuitous, and in the case of a non-gratuitous contract, in the sense which equitably reconciles the interests of the parties.

CHAPTER III - EFFECTS OF THE CONTRACT

Article 690

A contract has the force of law between the parties. It can be dissolved or changed by mutual consent or for a cause permitted by law.

Article 691

A contract produces effects with respect to third parties as provided by law.

Article 692

Except when provided differently in the contract, its legal effect is extended to the heirs with universal title.

Article 693

A contract obliges the parties not only for what it provides itself, but also for the effects arising from the application of the law.

Article 694 Contract with a Third Party Beneficiary

A contract with a third party beneficiary is valid when the contractor has an interest therein.

The person that has accepted the promise in the interest of the third party, the third party himself, or other parties that receive his rights, have the right to ask the fulfillment of the contract, except when agreed otherwise.

The contract cannot be revoked or modified after the third party has declared that he intends to avail himself of the contract, except when the promissory has reserved this right.

In case of revocation of the contract or refusal of the third party to avail himself of it, the obligation of performance for the benefit of the promissory remains, unless it appears otherwise from the intention of the parties or the nature of the contract.

Article 695

The promissory can raise against the third party counterclaims based on the contract from which the third party derives his right, but not those based on relations between the promissory and the other party.

Article 696 The Right of Withdrawal from the Contract

If one of the parties has the right to withdraw from the contract, this right should be exercised before the contract has started to be implemented.

In contracts with continuous or periodical implementation, this right can be exercised even further in time, but the withdrawal does not have effects for things already executed or that are in the process of execution.

When in the contract is provided the payment of an indemnity for the withdrawal, this has effect when the payment is done, except in case of contrary agreement.

Article 697 The Promise for the Fulfillment of an Obligation

The person that has promised to another that a third person will execute an obligation, or will do an action in his favor, is obliged to remunerate the other party if the third person does not want to execute the obligation or to do the promised action.

Article 698 Dissolution of Contract

In contracts with mutual obligations, when one of the contracting parties fails to perform his obligations, according to the case, the other contracting party can choose to demand either performance or dissolution of the contract, besides compensation for damages.

Article 699

A contract cannot be dissolved if the non-performance of one of the parties has slight importance with respect to the interest of the other.

Article 700

The other party can serve a written notice on the defaulting party to perform within an appropriate time, declaring that, unless performance takes place within such time, the contract shall be deemed dissolved.

Article 701

If the time fixed for performance by one of the parties must be considered essential in the interest of the other, the latter, if he wishes to demand performance of the obligation notwithstanding the expiration of the time, must so notify the former within three days, unless there is an agreement to the contrary.

Article 702

The contracting parties can expressly agree that the contract will be dissolved if a specified obligation is not performed in the designated manner.

In this case, the dissolution takes place when the interested party declares to the other that he intends to avail himself of the dissolution clause.

Article 703

Dissolution of a contract for non-performance has retroactive effect as between the parties, except in the case of contracts for continuous or periodic performance, with respect to which the effect of dissolution does not extend to performance already made.

Dissolution even if expressly agreed upon, does not prejudice rights acquired by third parties, except for the effects of registration of the action for dissolution.

Article 704

General provisions apply for the dissolution of contracts as well as the provisions for specific contracts.

TITLE II -SPECIFIC CONTRACTS

CHAPTER I - SALES

GENERAL PROVISIONS

Article 705

The sales contract has as its object the transfer of ownership of a thing or other right in exchange for a price.

Article 706

With a sale involving something to be created in the future, the acquisition of ownership occurs as soon as the thing comes into existence.

Except when the parties intended to form an aleatory contract, the sale is void if the thing does not come into existence.

Article 707

If the parties have neither determined the price nor agreed on the manner of determining it, and such price is not established by provision of a public authority, it is presumed that the parties intend to refer to the price normally set by the seller at the time when the contract was made.

In the case of property having an exchange or market price, the price is taken from the quotation or price lists of the place in which the delivery is to be made, or those of the nearest market.

If the price is determined on basis of weight of the property, in case of doubt, calculation must be based on net weight.

The parties can entrust the determination of the price to a third person designated in the contract or to be designated at a later date.

Article 708

The expenses of the contract of sale and other incidental expenses are borne by the buyer, unless otherwise agreed.

Article 709 Special Prohibitions Against Purchase

The following cannot be purchasers, even at a public auction, either directly or through an intermediary:

- a) administrators of property that is not their own according to the law or appointed by the State, with respect to property entrusted to their care;
- b) public officials charged with the obligation to execute sales, with respect to property that they are selling;

c) the judges, prosecutors, executors, notaries and advocates, with respect to property which is subject to a claim in the court in which they belong or exercise their functions, except when they are co-owners.

Article 710 Obligations of Seller in the Sale of Movable Property

The principal obligations of the seller are:

- 1) to deliver the thing to the buyer;
- 2) to cause the buyer to acquire ownership or other right in the thing, if such acquisition is not an immediate consequence of the contract, he must deliver all appropriate documents according to the conditions provided by the contract or the law;
- 3) to warrant the buyer against dispossession, defects, and non conformities of the thing with the contract.

Article 711

The thing shall be delivered in the condition in which it was at the moment the contract was concluded. The thing shall be delivered together with the income accrued since the sale and accessories and appurtenances from the date of contract's conclusion, unless the parties provided for otherwise in the contract.

If the seller is not obliged to hand over the goods in another specified place, he discharges his duty to deliver by handing the thing to a forwarding agent for delivery to the buyer, when the sale contract includes the transportation of the property.

In case the contract does not include the transportation of the property and it refers to specific things individually or in kind or in quantity, and that must be taken from a certain quantity or must be fabricated or produced and if, at the moment the contract is made, the parties knew that the property was or must have been fabricated or produced, in a certain place, the seller is obliged to put the things at the buyer's disposition at that place.

In other cases, the seller is obliged to do the delivery at the place where the things were at the time of the sale or, when such a place cannot be determined at the place, where the buyer had his domicile or where his enterprise had its headquarters.

Article 712

The seller must deliver the things:

- 1) on the date specified in the contract or that is determined on the basis of the contract;
- 2) at each moment in the contract term that is specified or can be established according to the contract, except when due to the circumstances the buyer can choose the date;
- 3) in any other case within a reasonable term prior to the termination of the contract.

Article 713

When the seller is obliged to give the documents connected with the things, they are given at the time and place and in the form provided for in the contract. If these documents are issued before this moment, he can correct any defect in them up to the moment provided for their delivery, if the exercise of such a right does not create problems for the buyer or result in any unreasonable expense.

In these cases, he reserves the right to receive payment for damages.

Article 714

In a sale by documents, the seller is released from his duty to deliver things sold when he turns over to the buyer the sales documents and other documents provided for in the contract or in the law.

Article 715

The seller must deliver the things of the quality, quantity, and sort specified in the contract, as well as placed and packed in the way determined by the contract.

It is said that things are not in accordance with the contract if they are not suitable for the specific use provided for in the contract, except when there is agreement to the contrary. When it is not possible to determine such thing, it is said that things are not in accordance with the contract if they are not suitable for use like the other things of the same sort.

If the sale is made on basis of a model or sample, the seller must deliver things that have the same qualities as the model or sample.

If the contract does not mention rules for placing or packaging things, it can be said that these things are not in accordance with the contract if they are not placed or packed in the same way as is usually done for things of the same sort or, if the customary way is not available, in a manner that is suitable to preserve and protect the property.

The seller is not responsible for defects of the property which at the moment of concluding the contract, the buyer knew or for which he does not know because of his fault, except when the defects have to do with the quality of the things specified according to the contract or the representation or advertisement of the seller.

Article 716

The seller is responsible for any defects or unfitness that existed at the moment when the risk passed to the buyer, even when the defect appears after this moment.

The seller is responsible even for the unfitness that is verified after the moment showed on the above paragraph and that comes from the nonfulfillment of any obligation, including the warranty that the thing will be suitable for its common or specific usage for a certain period of time, or that will retain its quality and specified characteristics.

Article 717

The buyer loses his right to challenge things for defects, if he does not notify the seller, within ten days of the discovery, specifying their nature, except when the parties or the law provide differently.

In any case, the buyer loses his right to challenge things for defects if he does not exercise his right within two years from the date of delivery of such things to him, provided such term is not contrary with the duration of a contractual warranty.

Article 718

The seller cannot take advantage of the rules provided in the above Article if the defects deal with facts within his knowledge or that could not have been unknown to him and these were not brought to the attention of the buyer.

Article 719

The seller shall deliver the thing free from any right or claim of third parties, except when the contract provides differently.

Article 720

The buyer should notify the seller about the rights or claims of the third parties on the things, specifying their nature, within a reasonable time from the moment that he become aware of them or that he could have not been unaware of them. Otherwise, he loses the rights provided in the above paragraph.

The seller can also use the dispositions of the above paragraph if he has knowledge of the rights or claims of the third parties or knowledge of their nature.

Article 721

The buyer can suspend the payment of the price when he has reasons to fear that the thing or a part of it can be reclaimed by the third parties except when the seller gives the appropriate warranty.

The payment cannot be suspended if the risk was known to the buyer at the moment of the sale.

Article 722

In cases where delivery of defective property constitutes a substantial breach of contractual obligations, the buyer has the right to ask:

1) at the moment of the challenge, provided in Article 717 of this code or within a reasonable time from this challenge, the delivery of a thing as an addition or substitution;

2) for repair of the things when this is reasonable, taking into account all concrete surrounding circumstances. The demand for repairs must be done at the moment of challenge provided in Article 717 above or within a reasonable time from this challenge;

3) for a reduction in price;

4) to dissolve the contract.

The buyer can give to the seller a reasonable time to fulfill these obligations. During this time, the buyer cannot use any legal means to address the breach except when he is notified by the seller that the seller will not fulfill the obligation within the term provided.

In any case, the buyer does not lose the right to indemnity.

Article 723

When the delivery of the things with defects is not a substantial breach of the contract, the buyer can ask:

1) for the repair of the things that are delivered, or

2) for a reduction in price.

The buyer can give the seller a reasonable term for the fulfillment of these obligations. During the term, the buyer cannot use any legal means to address the breach except when he is notified by the seller that the seller will not fulfill the obligation within the term provided.

When the seller does not fulfill the demand provided for in point one of this Article within the term established by the buyer, the latter can ask for a price reduction of the above thing.

In any case, the buyer does not lose the right to indemnity.

Article 724

Notwithstanding the contract's dissolution by law, when the term is an essential condition and there is no delivery of the thing, the buyer can declare the contract dissolved if the seller does not deliver the thing within the additional term established by the buyer or if the seller declares that he will not complete delivery within that term.

Article 725

If the seller has delivered the thing, the buyer loses the right to declare the contract dissolved when:

- 1) in case of delayed delivery, the buyer has not demanded dissolution of the contract within a reasonable time, not more than 15 days from the moment that he became aware of the delivery;
- 2) in case of breach other than the delayed delivery, within a reasonable time but not later than 15 days;
 - a) from the moment when he became aware of the breach;
 - b) after the termination of the additional term established by him in accordance with Article 717 of this Code.

Article 726

If the seller delivers only a portion of the things or if only a portion of the things is in accordance with the contract, Articles 717 and 720 apply to the missing or non-conforming portion.

The buyer can declare the contract completely dissolved only if the partial delivery or nonconformity amounts to an exceptionally substantial or essential breach.

Article 727

If the buyer suffers total dispossession of a thing as a result of rights enforced against him by a third person, the seller is bound to compensate him for damages according to Article 744.

In the case of partial dispossession of a thing and when, according to the circumstances, he was not going to conclude the contract, the above paragraph is applicable.

Article 728

A buyer who is sued by a third person claiming rights to a thing sold shall join the seller as a defendant. If the buyer fails to do so and final judgment is rendered against him, he loses his right to a warranty against dispossession if the seller proves that sufficient grounds existed to cause the claim to be rejected.

A buyer who has voluntarily recognized the right claimed by a third person loses the right to the warranty, unless he proves the absence of sufficient grounds to prevent dispossession.

Article 729

If the buyer has prevented dispossession of a thing by paying a sum of money, the seller can free himself of all consequences by reimbursing the sum paid, the interest and all expenses.

Article 730 Obligations of Buyer in the Sale of Movable Property

The obligation of the buyer to pay the price includes taking measures and respecting the formalities provided for by the contract or special dispositions for payment.

Article 731

In case the buyer is not obliged to pay the price in a certain place, he must make the payment at the domicile or place where the seller has the official center of his activity or, when the price is to be paid at the time of delivery, at the place of such delivery.

Article 732

In absence of the obligation that the price is to be paid in another certain moment, the buyer must make the payment at the time when the seller places the things, or the documents that represent them, at his

disposition. If the contract includes transport of the things, the seller can do the forwarding of the things on condition that the things or the representative documents are to be delivered to the buyer before payment.

Article 733

The buyer is bound to pay the price on the date established, or that can be established by the contract or law, without the necessity of the seller's demand.

Article 734

The obligation of the buyer to take delivery involves the completion of every action that can be reasonably expected of him, for it permits the seller to make the delivery and the buyer take it.

Article 735

In case the contract provides that the buyer must decide the form, size or other characteristics of the things, and if he does not do it at the date provided, or within a reasonable time after taking the demand of the seller, the seller may create this definition himself in accordance with buyers demands for which he has knowledge.

If the seller makes the definition himself, he must notify the buyer for the components of this definition and offer a reasonable term within which the buyer can make another definition. If after taking such a notice, the buyer does not use this possibility within the term established, the definition made by the buyer is binding.

Article 736

The seller can give to the buyer extra time for the fulfillment of his obligations. With the exception of cases where the seller has not received notice from the buyer that he will comply with his obligation within this period, the seller cannot use any legal means for the indemnity of the loss caused by the delay in the fulfillment. However, the seller does not lose the right to compensation for damages caused by the delay.

Article 737

The seller can consider the contract dissolved:

1) if the breach of the buyer's contractual or legal obligation is in fact a particularly substantial or essential breach;

2) if the buyer does not fulfill his obligation to pay the price or to take delivery of the things within the additional term established by the seller or declares that he is not going to make it within this term.

If the buyer has payed the price, the seller loses the right to declare the contract dissolved if he does not ask for it:

1) in case of delayed fulfillment of a buyer's obligation, before he became aware of the execution of the obligation;

2) in case of another breach different from delayed nonfulfillment within a reasonable time:

a) after the moment when he knew or should have known of such breach;

b) after the termination of the additional term established by himself, or after the buyer has declared that he will not fulfill his obligations within this additional term.

Article 738

Notwithstanding an agreement or commercial usage to the contrary if the things sold must be transported from one place to another, and the seller is not obliged to do the delivery at a place specified for

in the contract, the risk of loss passes to the buyer when the thing is delivered to the first carrier for transport to the buyer, even if the things are loaded unpacked.

If the seller is obliged to deliver the things to the carrier at a place specified in the contract, the risk of loss passes to the buyer only when the things are delivered to the carrier at the specified place. The fact that the seller is authorized to keep the representative documents of the things does not influence the passing of the risk.

Article 739

In case of an essential breach of the contract on the part of the buyer, the provisions of the previous Article do not deprive the buyer of the legal means available to him for the breach of contractual obligations.

Article 740 Common Dispositions for Obligations of the Buyer and Seller

One of the parties can suspend fulfillment of its obligations if, after the conclusion of the contract, it is clear that the other party will not fulfill an essential part of its obligations as a consequence of:

- 1) a serious impossibility in its capacity to fulfill an obligation, or make payment.
- 2) the manner in which the party prepares to start or continue the execution of the contract.

If the seller has sold the things before the conditions mentioned in the above paragraph appeared, he can oppose the delivery of the things to the buyer even if he possesses a document that authorizes him to take them.

Such opposition has an exclusive effect on the relationship between the buyer and the seller. The party that suspends the acceptance must immediately give notice to the other party and should continue to fulfill the obligation if the other party gives an appropriate guaranty that he will fulfill his obligations.

Article 741

In case of sales contracts with installment delivery, when the breach of an obligation of one of the contracting parties deals with the delivery, and this delivery has a special importance under the contract, the other party can declare the contract dissolved as it relates to this delivery.

If the breach by one contracting party of its obligations concerning the delivery, gives the other party reasons to think that an essential breach will happen concerning future deliveries, this party can declare the contract dissolved for the future, as long as it is done within a reasonable time.

The buyer that declares the contract dissolved with regard to a delivery can at the same time declare dissolution for earlier or future deliveries if because of their interdependence these deliveries would not be used for the reason provided for by the parties in the contract.

Article 742

In case of dissolution of the contract, the seller must return the price paid and pay to the buyer the expenses and payments required by law.

The buyer must give back the thing if it is not lost or destroyed as result of its defects.

Article 743

If one of the parties is late in paying the price or any other amount, the other party has the right to ask the interest on these amounts without influencing indemnity.

Article 744

The seller must give back to the buyer the price paid even if the value of the thing is reduced or if the thing is damaged. If the reduced value or damage come as the result of an action of the buyer, the above amount must be reduced by the profit that the buyer has made, except as provided for in Article 640.

Article 745

If the contract is dissolved and if within a reasonable manner and time after the dissolution the buyer has made a substitute purchase or the seller has resold the things, the party that asks for indemnity can take the difference between the price provided for in the contract and the price of the substituting purchase or sale, and as well every other recompense that is provided in to the preceding Article.

Article 746 Sales with Reserved Ownership

When something is sold on an installment basis the buyer acquires ownership of the thing upon payment of the last installment, assuming the risk from the time of delivery. The delayed transfer of ownership with the above conditions must be reflected in the contract.

Article 747

The transfer of ownership according to the above provision can only be utilized vis a vis creditors of the buyer only if it is documented in writing with a date prior to the issuance of the credit.

If the sale involves immovable things or movable registered things, the registration provisions apply.

Article 748

Notwithstanding any agreement to the contrary, default in payment of only one installment which does not exceed one-eighth of the total price does not result in dissolution of the contract, and the buyer retains the benefit of the time limit for subsequent installments.

Article 749

If the contract is dissolved due to the buyer's nonperformance, the seller must return the installments he has received, subject to his right to fair compensation for use of the thing and for damages.

If it was stipulated that the installments paid should be retained by the seller as indemnity, the court, according to the circumstances, can grant a reduction of the agreed indemnity.

Article 750 Sale of Immovable things

The sale of immovable things is done according to the manner provided for by Article 83 of this Code. Otherwise, it is invalid.

Article 751

The conditional sale of immovable things should be registered in the register of immovable property after the condition is fulfilled.

Article 752

When a specific immovable has been sold with the indication of its measurements and for a price established on the basis of a certain sum per unit of measurement, the buyer is entitled to a reduction if the actual measurements of the immovable is less than that indicated in the contract.

If the measurements are found to exceed the ones indicated in the contract, the buyer shall pay the supplemental price, but he has the right to withdraw from the contract if the excess is more than one-twentieth of the stated measurements.

Article 753

In cases in which the price has been determined in relation to the immovable as a whole and not to its measurements, even if the measurements have been indicated, no reduction or supplement of the price is due unless the actual measurement is one-twentieth less or more than that indicated in the contract.

In cases in which a supplemental price is due, the buyer has the choice of withdrawing from the contract or paying the supplement.

Article 754

If two or more immovable things have been sold in the same contract, each for the same price, with an indication of the measurements of each, and the size is found to be smaller in some and larger in others, they are offset against each other to determine the appropriate balance; the right to a supplement or reduction of the price is regulated by the provisions set forth above.

Article 755

The right of the seller to a supplement and the right of the buyer to a reduction of the price or to withdrawal from the contract lapse by prescription two years from the delivery of the immovable.

Article 756

The right of the buyer to oppose defects of the immovable things lapses by prescription five years from delivery of the immovable.

CHAPTER II - EXCHANGE

Article 757

Exchange is a contract which has as its object the reciprocal transfer of the ownership of things or of other rights from one contracting party to the other.

Article 758

If the exchanger has suffered eviction from a thing and does not intend to recover it, he is entitled to take its value in accordance with provisions established for sales, as well as the indemnity for the damages.

Article 759

The expenses of the exchange and other additional expenses are borne by the two parties in equal shares, unless otherwise agreed

Article 760

The rules governing sale contracts apply also to the exchange contracts for as long as they are compatible.

CHAPTER III - GIFTS

Article 761

A gift contract is one by which one party gives in ownership gratuitously to the other party a certain thing or a real right which this party accepts.

It is not a gift the withdrawal from a right before this right is acquired, or the withdrawal from the inheritance.

Article 762

The gift can not contain other than present property of the donor. If the gift contains future property that gift is void with regard to such property.

Article 763

A gift that has as its object periodic obligations, is extinguished at the death of the donor, except in cases when provided differently in the contract.

Article 764

The gift of the immovable things must be done with a public act and be registered, otherwise it is void.

The acceptance can be made in the same act, or with a latter act. In this case the gift is considered complete from the moment when the act of acceptance is notified to the donor.

If it has as its object movable things, it is valid when those are specified by showing their value at the contract of the gift.

The contract is considered formed from the moment of the delivery of the thing.

Before the contract is formed, the donor or the donor of the gift can revoke their declaration.

Article 765

The gift can be opposed for error of the cause, when this is connected to the fact or the right, if the cause has derived from the act and has encouraged the donor to do the gift.

Article 766

The donor is responsible for the non-fulfillment or the delay of the gift, only in cases of actions done by purpose or of gross negligence.

Article 767

The donor can put as a condition the return of the things donated because of the previous death of the donor as well as for the previous death of his descendants.

The return can be done only in the favor of the donor. The agreement in favor of the others is considered as non existent.

Article 768

A condition or charge can be put on the gift. The donor is obliged to fulfill the charge within the limits of the value of the thing donated.

For fulfilling the charge can act besides the donor anybody else interested. The dissolution of the gift contract for the non-fulfillment of the obligation can be asked by the donor or his heirs if it is provided for in the instrument of the gift.

The unlawful or impossible obligation is considered non-existent, it however makes the gift non-existent if it was the only determining cause of the contract.

Article 769

The donor is bound to guarantee the donor for the belonging of the thing donated and for the eviction that it might suffer from the others for the things donated, in the following cases:

- 1) if he expressly promised the guarantee;
- 2) if the eviction of the thing depends on his fraud or his personal behavior;
- 3) if the gift imposes an obligation to the donor, or if the donation has as its cause the remuneration, in which case the guarantee is put up to the amount of the charge or of the promises taken from the donor.

Article 770

The guarantee of the donor it is not extended to the defects of that which is donated, unless the donor has been fraudulent, as well as a special agreement exists.

Article 771

The donor can demand the revocation of the gift for the donations that are not usual or for those that are not done for a remuneration, when the person that has taken the gift:

- a) willingly has murdered or attempted to murder the donor, his consort, children or parents;
- b) unjustly does not give to the donor food, when he is obliged by law;

The claim for the revocation of the gift should be done within one year from the day that the donor has received notice for the causes that give him the right to demand the revocation of the gift.

The claim started can be followed even by the heirs of the donor or, can be brought by them themselves if the donor has died within the year from the day when the cause for bringing the claim has risen.

The advance withdrawing from the claim is void.

The revocation of the gift does not affect the rights that third parties have acquired on the thing donated before the claim is brought.

CHAPTER IV - SUPPLY CONTRACTS

Article 772

A supply contract is one by which one party is bound to do in favor of the other party continuous or periodical supplies with things, in return for a price.

The things supplied can be movables or immovable things, as well as in the form of the energy or credit titles.

Article 773

When the amount to be supplied is not established it is deemed to correspond to the normal requirements of the customer as of the time of making the contract.

If the parties have established only a maximum and a minimum limit for the entire supply contract or for each installment, the right to establish the quantity due, within those limits, vests in the customer.

If the quantity to be supplied is to be determined in relation to requirements and a minimum quantity was agreed upon in the contract, the customer is bound for the quantity corresponding to his requirements if this exceeds the agreed minimum.

Article 774

If the price in a periodic supply contract is to be determined according to the provisions of article 707 of this Code, the expiration date of each installment and the place where these are to be delivered shall be taken into account.

Article 775

In periodic supply contracts, payment is made at the time of and in proportion to each installment of performance.

In continuous supply contracts, the price is paid according to the customary terms.

Article 776

The time established for each installment is presumed to have been agreed upon in the interest of both parties.

If the customer has the power to fix the maturity date for each installment of performance, he shall give the supplier reasonable advance notice of the date.

Article 777

In case of non-performance of different installments by one of the parties, the other party can ask dissolution of the contract if the default is significant and is such as to reduce confidence in the punctuality of subsequent performances.

Article 778

If the customer has failed to perform and the default is of slight importance, the supplier cannot suspend his performance of the contract without giving reasonable advance notice.

Article 779

If a contract contains an exclusive dealing clause in favor of the supplier, the other party can not receive performances of the same kind from the third persons nor can he provide with his own means for the production of the things which form the subject matter of the contract, unless otherwise agreed or provided by law.

Article 780

If an exclusive dealing clause is stipulated in favor of the customer, the supplier cannot directly or indirectly make any performance of the same kind as that contemplated in the contract, within the territory for which the exclusive right was granted and for the duration of the contract.

The exclusive clause, contained in a supply contract, is a binding clause which requires a specific written agreement.

Article 781

A customer who assumes the obligation to promote the sale of the things for which he has exclusive rights within the territory assigned to him is liable for damages in cases of non-performance of the obligation, even if he has performed the minimum requirements agreed upon in the contract.

Article 782

If the duration of the supply is not established, each of the parties can withdraw from the contract by giving notice within the time agreed upon or, in absence thereof, within a reasonable time with regard to the nature of supply.

Article 783

To the extent that they are compatible with the provisions of the preceding articles, the provisions that regulate the contract for single installments apply to supply contracts.

CHAPTER IV - REQUIREMENTS (SUPPLY)

CHAPTER V ENFITEOZA

Meaning of Enfiteoza

Article 784

Enfiteoza is a contract which gives a usage right and also an obligation for improving immovable property and also requires periodic remuneration in cash or kind.

Article 785

The time period of the enfiteoza is defined in the contract.

Article 786

The enfiteoza contract should be made in the required form for the immovable property ownership transactions.

The Rights and Obligations of the Owner and Enfiteoza Receiver

Article 797

The enfiteoza receiver possesses the thing as well as the owner, excluding all the restrictions anticipated in the contract for establishing enfiteoza.

Nevertheless, the enfiteoza receiver cannot use the thing for another purpose without the owners consent.

Article 798

All the natural fruits, the civil fruits that are claimed during the enfiteoza, and rights of the usage of the property underground, under certain limits determined by law, belong to the enfiteoza receiver unless if it has been differently anticipated in the contract.

Article 799

When the ownership within the enfiteoza gets thoroughly lost the enfiteoza is exhausted and the enfiteoza receiver is released from the original future obligations.

When the ownership of the visible and important parts within the enfiteoza is lost or damaged to the very extent that no income could be procured to pay the remuneration of the contract, a reduction should be required or the dissolution of contract in which the two parties satisfy the reciprocal obligations.

The request should be made within a year from the day that the loss or damage to the ownership has occurred in the enfiteoza.

The enfiteoza receiver cannot request the release from the payment obligation or its discount because of any lack of production, or lost fruits, and for any other factors.

Article 790

The ownership transaction is not allowed under sub-enfiteoza.?

Article 791

The enfiteoza receiver might request in any time the termination of the contract as well as enfiteoza termination except in cases when it is anticipated differently in the contract. The enfiteoza giver might require the contract termination as well as enfiteoza termination, when the enfiteoza receiver has not exhausted the proper obligation for the two consecutive periods, when there is damage or lack of preservation and improvement to the ownership, as well as when the obligations coming out of the contract have not been applied in a visible way.

Article 792

The fees and other obligations charged for ownership are charged to the enfiteoza receiver except when differently anticipated in the law.

When in the contract these obligations have been left to the owner they cannot exceed the defined remuneration for the enfiteoza.

Article 793

In cases of transactions of the enfiteoza the new enfiteoza receiver and the previous one are obliged together to pay the remuneration of the enfiteoza except when the previous enfiteoza receiver is being notified on the transaction act out of the enfiteoza given??

In case of any transaction of a right of an owner, the person who acquires cannot ask for the implementation of the obligations from the enfiteoza receiver before notifying him of the transaction act.

Article 794

When it is differently anticipated in the contract the enfiteoza receiver during the continuation of the enfiteoza or when it has been exhausted has the right to remove the constructions, different objects, as well as the current farming products of the land not made after the enfiteoza conditions or that have been bought

from the owner. But in all cases without damaging the ownership as well as trying to keep the ownership in its previous status.

Article 795

When the contract is terminated the enfiteoza receiver is to take back the values of the improvements made in an amount equal to the increased value of the ownership, when this exists at the time of its restitution.

Article 796

The enfiteoza receiver has the right to keep the given thing in enfiteoza until the exhausting or paying back of the credits under the enfiteoza arrangements. Any other contradictory agreement is not available.

The owner has the right to keep the things that belong to the enfiteoza receiver until the very time of the payment of obligations to the owner.

Article 797

When extraordinary repairs are needed in the given ownership of the enfiteoza, the enfiteoza receiver is obliged to notify the owner and give him the possibility for carrying the repairs out.

The enfiteoza giver is not obliged to conduct any normal repairs.

Article 798

The persons who possess together an enfiteoza right will be obliged together for paying the remuneration for the enfiteoza.

When the given ownership in the enfiteoza is divided and they possess parts of it, each of them should be responsible for the obligations coming out of the enfiteoza, proportionally with the value of the part which they are possessing.

Article 799

The dispositions of this chapter are applied also when the enfiteoza is possessed by one or some juridical persons except when it is prohibited by law.

Article 800

The enfiteoza receiver can acquire in favor of the ownership active servitudes and charge the owner with passive servitudes for a certain time anticipated in the contract, but always notifying this in writing to the enfiteoza giver.

CHAPTER VI - LEASES

GENERAL PROVISIONS

Article 801

A contract of lease is one which one party (the Lessor) binds himself to let the other (the lessee) enjoy a movable or immovable thing for a given period of time at a fixed compensation.

Article 802

The lessor shall:

- 1) deliver the thing to the lessee in the time fixed and in condition suitable for the use agreed upon;
- 2) maintain the thing in the same condition;
- 3) warrant peaceful enjoyment of the thing during the period of the lease.

Article 803

A contract of the lease cannot be stipulated for a period exceeding thirty years, unless the law provides otherwise. A contract stipulated for a longer period or unfixed duration is reduced to the above limit.

For the dwelling houses the lease contract cannot be longer than five years.

For movable things given as a furniture of an immovable property, the term is equal with that of the immovable property.

The lease contract, for a term longer than one year must be done in writing.

Article 804

The lessee that has executed correctly the obligations deriving from the contract, has the right of preferability against the others if on the termination of this contract, a new contract would be formed.

Article 805

The lessor shall make all necessary repairs during the lease, except those for minor maintenance, which shall be borne by the lessee.

In case of movables, the expenses of preservation and of ordinary maintenance are borne by the lessee, subject to contrary agreement.

When the thing leased is in need of repairs which are not chargeable to the lessee, the lessee is bound to give notice to the lessor.

If urgent repairs are involved, the lessee can make them himself, with a right of reimbursement, provided that he gives notice at the same time to the lessor.

Article 806

If, at the time of delivery, the leased thing has defects which impair its fitness for the use agreed upon to an appreciable extent, the lessee can request the dissolution of the contract or a reduction of the rent except in case of defects known to or easily detectable by him.

The lessor is bound to compensate the lessee for damages caused by defects in the thing leased, unless he proves that, without his fault he was unaware of the defects at the time of delivery.

If the defects of the leased thing expose the lessee or his family or employees to serious danger of their health, the lessee can demand the dissolution of the contract, if the defects were known to him.

Article 807

An agreement excluding or limiting the liability of the lessor for defects in the thing has no effect, if the lessor omitted in bad faith to mention such defects to the lessee, or if the defects are such as to make the enjoyment of the property impossible.

Article 808

The provisions of the preceding Articles are applicable, even if the defects occurred after the commencement of the lease.

Article 809

If during the term of the lease, the thing is in need of repairs which cannot be postponed until the termination of the contract, the lessee shall allow such repairs to be made. If the thing is not repaired within a reasonable time, the lessee is entitled to a reduction of the rent in proportion to the duration of the period of repairs.

Article 810

The lessor is bound to warrant the lessee against disturbances which diminish the use or the enjoyment of the thing, caused by third persons claiming rights in it.

The lessor is bound to warrant against disturbances caused by third persons who do not claim rights. In this case the lessee has the power to bring action against them in his own name.

Article 811

If third persons that cause disturbances claim rights in the thing leased, the lessee is bound, under penalty of liability for damages, to give prompt notice to the lessor.

If the third persons resort to court action, the lessor is bound to take over the litigation, if he is summoned in the proceedings.

Article 812 Rights and Obligations of the Lessee

The lessee shall:

- 1) take delivery of the thing leased and provide that it is used for the purpose specified in the contract or for purposes which can otherwise be presumed from the nature of the thing.;
- 2) pay the rent due at the dates agreed upon.

Article 813

The lessee is liable for the loss of and damage to the leased thing which occur during the lease.

Article 814

The lessee shall return the thing to the lessor in the same condition in which he received it, in accordance with any description that the parties have made of it in the contract, subject to the deterioration of the thing from its use in conformity with the contract.

In the absence of a description in the contract, the lessee is presumed to have received the thing in a good state of repair.

The lessee is not liable for loss or damage due to natural decay and age. Movable shall be returned at the place where they were delivered.

Article 815

A lessee who is in default in returning the thing leased is bound, until re-delivery, to pay the lessor the agreed rental, without affecting his liability to make compensation for additional damages.

Article 816

The lessee is not entitled to indemnification for improvements which he has made to the thing, unless special provisions of law provide otherwise. However, if the improvements were made with the consent of the lessor, the lessor is bound to indemnify the lessee, in an amount equal to the lesser of the total amount expended and the actual value of the improvements at the time of re-delivery.

When the lessee is not entitled to an indemnity, the value of the improvements can offset the damages which have occurred without gross negligence on his part.

Article 817

At termination of the lease, the lessee has the right to remove the additions he has made to the leased thing, provided that removal can be effected without damage and unless the owner prefers to retain them. In the latter case, the owner shall indemnify the lessee in an amount equal to the lesser of the total expenditure and the value of the additions at the time of re-delivery.

If the additions cannot be separated without damage to the leased thing and constitute an improvement, the provisions of Article 810 apply.

Article 818

The lessee has the power to sublet the thing leased, unless otherwise agreed, but he cannot assign the contract to third persons without the consent of the lessor.

The sublease of movables must be authorized by the lessor or permitted by usage.

Article 819

The lessor" without prejudice to his rights against the lessee, has a direct cause of action against a sublease to require payment of the rent of the sublease which he still owes at the time the action is brought, and to compel him to perform all other obligations deriving from the contract of the sublease.

The nullity or dissolution of the contract of lease and any judgement rendered in litigation between the lessor and the lessee are also effective against the sublease.

Article 820 Termination of the Lease Contract

A lease for a time fixed by the parties ends at the expiration of the term, without need of notice of termination.

A lease for an indefinite time does not end until, prior to the expiration provided in Article 803 of this Code, one of the parties gives notice to the other of the termination.

Article 821 Renewal of the Lease Contract

A lease is treated as renewed, if after the expiration of the term, the lessee is left in possession of the thing without any apposition by the lessor.

The new contract of lease is governed by the same conditions as the preceding one, but its duration is governed by the rules relating to leases for a determined time.

Article 822 Relationships with Third Parties

A contract of lease can be pleaded against a third person who has acquired the leased thing, provided that the contract has a certain date which precedes the alienation of the thing.

The provisions of the previous paragraph do not apply to leases of movables not registered in public registers, if the third person has acquired possession of the movable in good faith.

Non-transcribed leases of immovable can be pleaded against a third person who has acquired the leased property only with respect to a period not exceeding nine years from the commencement of the lease.

In all cases the purchaser is bound to abide the lease if he has assumed that duty with respect to the seller.

Article 823

If the contract of the lease does not have a certain date, but the lessee was in possession of the leased thing prior to its alienation, the third person who has acquired it is bound to abide by the provisions of the lease only for a period corresponding to the duration of leases for an indefinite time.

Article 824

If the person who has acquired the leased thing has given the lessee notice of termination because the contract lacked a certain date prior to the transfer, the lessor is bound to compensate the lessee for damages.

Article 825

A third person who acquired a leased thing and is bound to abide by the contract of lease succeeds, from the day of his acquisition, to the rights and obligations deriving from the contract of the lease.

A. The Lease of Immovable Property with an Agricultural Nature

GENERAL PROVISIONS

Article 826

The contract of lease of the immovable property that serves for the agricultural cultivation for a time exceeding nine years, must be done with a notarial act and be registered at the public register.

Article 827

The lessor through an inventory delivers to the lessee the immovable property such as the agricultural land, pastures, dwelling houses and buildings that are used in function of the agricultural and stock-breeding activity, as well as immovable in the same function. The right of opposition of the content of the inventory and the presumption of its accuracy is regulated by the provisions of this Article.

Article 828

The lessor has to pay the obligations and financial taxes on the movable property.

Article 829

The lessor has the right of control of the property leased in order to see whether the lessee acts according to the agreement for the fulfillment of the obligations provided for by the contract, according to the agrotechnical rules.

Article 830

The lessee pays the price for the lease at the time and manner provided for by the contract. The payment can be in kind or money.

Article 831 The Right of Cultivation

The right for the cultivation implies the right of one of the contracting parties to decide what to cultivate during one period or another. This right is regulated by the agreement of the parties.

When the price of the lease consists totally or partially of agricultural products from those cultivated on the leased immovable property, the right for the cultivation belongs to the lessor, unless provided differently in the contract or by usage.

When the price of the lease consists totally or partially in an amount of money given to the lessor, the right of cultivation belongs to the lessee, unless provided differently in the contract or by usage.

Article 832

The party that has the right of cultivating, when does not give notice to the other party the project of cultivating within the time provided for and when further expectation of this notice can influence seriously the agricultural cultivation, this right goes to the other party.

Article 833 The Time and the Expenses of the Cultivation

The lessee is responsible himself for deciding the time when is going to make the cultivation activity as well as the manners and agrotechnical inventions that he is going to use. The lessee has only the right to make recommendations in this direction.

Article 834

The lessee is responsible for the expenses necessary for the cultivation. When the price of the lease consists totally or partially in the product that is being cultivated, the lessor pays in advance without interest to the lessee those expenses that are needed for the cultivation, if the lessee can not afford to pay them himself.

The advance payment shall be restituted to the lessor from the future product.

Article 835 The Payment of the Price for the Lease

The payment of the price for the lease is paid according to the provisions in the contract. In case of absence of such provisions, the payment is done at the end of each year of the contract, when the price is paid with banknote.

The year of the lease contract starts the day when the property leased is delivered to the lessee.

Article 836

When the price of a contract consists in a part of agricultural production or in proportion with it, the lessor is delivered the part that belongs to him according to his demand, after the products have been collected.

Unless an agreement is made this is resolved according to usage of that place.

Article 837

The lessee can ask for the reduction of the price of the lease or the postponement of its payment, when unfrozen circumstances or extraordinary events have decreased the productivity of

one year in at least half of the normal product.

Article 838

The lessee can demand that the price of the lease is reviewed in his favor, keeping account of the normal productivity, the importance of the loss suffered, the profits that he had in the past years and those that he can have during the time that the contract is running.

Article 839

In case of dissolution of the contract, the lessee is not bound to leave the seeds for the next sown crops, unless provided differently from the contract or the usage of the country.

Article 840

The lessee does not have the right of collecting the fruits which at the time when the contract was formed, were not gathered. But the court can accept that the lessee is payed the expenses that might have been done for the cultivation of the fruits. However this remuneration can not exceed the value of the fruits made by the lessee.

B. Lease of Productive Property

Article 841

When a contract of lease has as its object the enjoyment of productive movable or immovable property, the lessee shall look after the management of such property in accordance with its economic destination.

Article 842

If the parties have not fixed the duration of the contract of the lease, each party can withdraw from the contract by giving reasonable advance notice to the other party.

Article 843

The lessor shall:

- 1) deliver the productive property, with its accessories in a condition suitable for the use and production for which it is intended.
- 2) do with his own expenses the extraordinary repairs which the thing needs along the duration of the lease.

Article 844

The lessor can request the termination of the contract if the lessee fails to devote the necessary means to the management of the property, if it does not follow the technical rules and if permanently alters the economic destination of the property.

Article 845

The lessee can take appropriate measures to increase the profits of the property leased, provided that such measures do not entail duties on the part of the lessor or are not prejudicial to his rights.

Article 846

If pursuant to law or obligatory decision concerning the management of productive property, the contractual relationship is substantially changed, in such a way as to cause a loss or a profit to either party respectively, an increase or reduction of the rent, or depending on the circumstances, termination of the contract can be demanded.

Article 847

The lessee shall not sublease the property without the consent of the lessor.

If the lessee infringes such obligation, the lessor can ask the termination of the contract.

The power to assign the lease contract includes the power to sublet, unless provided differently in the contract.

Article 848

The provisions for the lease contract apply for the lease of productive property as well, at the extent that they are in accordance with them.

C. Leasing

Article 849

In a leasing contract, one party is bound to devote to the other party, for a certain time, a movable or immovable thing, towards a payment in installments, provided for in accordance with the value of the thing, duration of the contract and eventually with other elements according to the agreement of the parties.

The thing must have been won or build according to the wish and the description of the lessee, and the lessee has the right to win the property, at the end of the contract's term, towards he payment of a certain amount.

The lessor is responsible to the lessee according to the general provisions for the non delivery of the thing or the delay on such delivery as well as for the defects of the thing.

With agreement can be provided that the lessee, before asking his rights, must address to the person who gave him the thing (the supplier) for his rights or the rights that have been passed to him.

CHAPTER VII - INDEPENDENT CONTRACTING

Contents

Article 850

An independent contract is a contract through which one party (the independent contractor) is obligated to, using its means and assuming the risk, complete a work (job) or provide a service or independently perform a specified job, while the other party is obligated to accept it, paying the price defined in the contract.

Determination of Compensation

Article 851

When the parties have not defined the compensation in the contract and have not defined the way to establish the compensation, the compensation is calculated on the basis of existing rates or the local customs. In cases of disagreement, the court has the authority to set the compensation.

Furnishing Materials

Article 852

The materials required to perform the work must be provided by the independent contractor, if the agreement does provide otherwise.

Rights and Obligations of the Independent Contractor

Article 853

The independent contractor must give timely notice to the customer:

- a) when the material provided by the customer has defects, if they are discovered during the course of work and they jeopardize the quality of the work;
- b) when the instructions of the customer cannot be implemented or when their implementation makes the work inadequate or unsuitable;
- c) when there are circumstances unrelated to the independent contractor which influence the work and cause it to be inadequate or unsuitable;

The independent contractor is responsible for the damage caused to the customer if he fails to provide notice of the above.

Article 854

The independent contractor has the right to renounce application of the contract and demand compensation for damages when the customer fails to provide materials to substitute for defective or unsuitable material, or does not change the instructions for the performance of work, despite the fact that he has received timely notice.

Article 855

The independent contractor is responsible for loss or damage of materials provided to him by the customer, except when it is proved that the loss or damage of materials has occurred because the materials were defective or unsuitable or due to execution of the instructions of the customer for performance of the work, notwithstanding the fact that the independent contractor has provided timely notice to the customer.

Article 856

The independent contractor has the right to request payment for work completed by him when the work, before it is delivered, is lost or damaged because the material has been defective or unsuitable or due to execution of the instructions of the customer for performance of the work, notwithstanding the fact that the independent contractor has provided timely notice to the customer.

Article 857

An independent contractor cannot subcontract the performance of work or services unless he has been authorized by the customer.

Article 858

An independent contractor cannot vary from the stipulated manner in which the work is to be done, unless such variations have been authorized in writing by the customer. Even when variations have been authorized, the contractor is not entitled to any compensation for such variations or additions if the price of the entire work has been determined in a lump sum, unless otherwise agreed.

Article 859

If in order to carry out the work according to the standards of the trade, it is necessary to make variations in the plans, and the parties fail to agree in that respect, it is the duty of the court to resolve the dispute.

If the amount of the variations exceed one-sixth of the total price agreed upon, the contractor can withdraw from the contract and can, according to the circumstances, receive a just indemnity.

If variations are of considerable importance, the customer can withdraw from the contract and is bound to pay a just indemnity.

Rights and Obligations of the Customer

Article 860

The customer can make variations in the plan, provided that they do not involve an amount in excess of one-sixth of the total price agreed upon. The independent contractor is entitled to compensation for the additional work performed by him, even if the price for the work has been determined in a lump sum.

The provision of the preceding paragraph is not applicable when the variations, even though contained within the above limits, involve considerable changes in the nature of the work or in the amount of any category of work provided for in the contract for the performance of the same work.

Article 861

The customer has the right to inspect the progress of the work and their conditions at his own expense.

When, in the course of the work, it is ascertained that the performance is not proceeding in accordance with the conditions established by the contract and according to the standards of the trade, the customer can establish a suitable time limit within which the contractor must conform to such conditions. When such time limit expires without results, the contract is terminated without prejudice to the right of the customer to be compensated for damages.

Article 862

If, as a result of unforeseeable circumstances, there have occurred such increases or reductions in the cost of the materials or of labor as to cause an increase or reduction by more than one-tenth of the total price agreed upon, the independent contractor or the customer can request that the price be revised. The revision can only be granted for that part of the difference which exceeds one-tenth. If in the course of work difficulties are revealed deriving from geological conditions, water, or other similar causes not foreseen by the parties, which made the performance of the contractor considerably more onerous, he is entitled to just compensation therefor.

Article 863

The customer has the right to test the completed before taking delivery.

The testing shall be done by the customer as soon as the contractor makes it possible for him to do so.

If, notwithstanding the request made to him by the contractor, the customer fails, without justifiable reason, to proceed with testing, or if he fails to make known the result thereof within a short time, the work is considered to have been accepted.

If the customer takes delivery of the work without reservation, such work is considered to have been accepted even if there was no testing.

The contractor is entitled to payment of the price when the work has been accepted by the customer, unless except as otherwise agreed.

Article 864

The independent contractor is bound to give a guarantee for the deformations and the defects of the work. The guarantee it is not necessary when the principal accepted the work and the deformities or the defects were known to him or were obvious, unless when those were maliciously hid by the undertaker.

The principal shall notify the undertaker for the deformation and the defects within 60 days from their discovery with a decadence condition, that brings the loss of such a right. The notice it is not necessary when the undertaker did know for the deformation and the defects or when he has hid them.

The claim against the undertaker shall be prescribed within two years from the day of the date of delivery of the work. A principal who is sued for the payment can be notified within 60 days from the day of the discovery and before two years have passed from the date of delivery.

Article 865

The customer can demand that the non-conformities or the defects be eliminated at the expense of the contractor or that the price be reduced proportionally, saving the right for the compensation of damages in case of fault of the contractor.

However, if the non-conformity and the defects of the work are such as to render the work completely inadequate for its purpose, the customer can demand the dissolution of the contract.

Article 866

In case the undertaking has as its object buildings or other immovable things which, by their nature have a long term destination, if from a period of ten years from the termination, the work, because of the land or defects of construction, is destroyed totally or partially, or it is in an obvious risk of being destroyed or other serious defects, the contractor is liable to the customer and the parties that derive rights from him with the condition that their claim is done within one year from the discovery.

The right of the customer is prescribed within one year from the denouncement.

Article 867

The contractor, in order to exercise the right of the claim for the restitution against the sub-contractors, shall notify them for the denouncement within sixty days from the receiving of the notice with the decadence condition, that brings the loss of such right.

Article 868 Dissolution of the Contract and Legal Consequences

The customer can withdraw from the contract even when the work or the service has started to perform, with the condition that the contractor is compensated for the expenses, work done and the profit loss.

Article 869

When the contract is dissolved because the performance of the work is made impossible as a result of a cause that can not be blamed in one of the parties, the contractor pays for the part of the work performed at the limits within which it is useful for him, in proportion with the price established for all the work.

Article 870

When the material that is given to the contractor from the customer or, when the work prepared with this material is lost or damaged, as well as the complete performance of the work becomes impossible without the fault of either of them, but in any case after the contractor is in delay for the delivery of the work, he is obliged to compensate to the customer the value of the material and it has not the right to demand from him to be payed for the work done.

Article 871

When the work done with the material of the contractor is lost or destroyed, as well as when the complete performance of which becomes impossible before the the term for the delivery of the work has comed, but in any case without the fault of either of them, the contractor has no right to demand to the customer the value of the material or of the work done.

Article 872

When the work peromed with the materials of the contractor is lost or is damaged, as well as when its complete performance has become impossible without the fault of the contractor or that of the customer, but after the customer is in delay of taking delivery of the the work, he is obliged to pay to the contractor, the value of the material and that of the work done.

Article 873

The contract of undertaking it is not dissolved by the death of the contractor, except when the contractor was considered necessary for the performance of the work. The customer can always withdraw from the contract, if he can not trust the heirs of the contractor for the good performance of the work or the service.

Article 874

In the case of the dissolution of the contract because of the death of the contractor, the customer is obliged to pay to the heirs the value of the work done based on the price established, as well as the expenses for the completion of the part remaining, but only within the limits in which the work done or the expenses made are useful to him. The customer has the right to demand the delivery towards a fair compensation of the value of the materials prepared and of the projects on the way of their performance, for as far as the rules for the protection of inventions and intellectual property allow.

Article 875

The persons whom by being dependant from the contractor have exercised their activity for the performance of the work or the service, can make a claim directly to the customer in order to take what belongs to them until the performance of the obligation that the customer has towards the contractor at the time when they bring the claim.

Article 876 Referring Provision

When the undertaking has as its object the performance of continuous or periodical services, the provisions of this title and those of the supply contracts are applied.

CHAPTER VIII - TRANSPORT

A. Transportation of Persons

Article 877

In the contract for the transportation of the persons, the carrier undertakes to carry people from one place to another.

Article 878

In addition to liability for delay and non-performance in providing transportation, the carrier is liable for misfortunes that strike the passenger during the voyage, or for the loss or damage to the property that the passenger has with him, unless he proves that it took all the appropriate measures to prevent the damage, and according to the special circumstances of the case.

Article 879

In the transport with itineraries that are connected with each other, each carrier is responsible for his own part of transport.

However, damages for delay or interruption of the voyage are computed for the entire route.

B. Transportation of Things

Article 880

In the contract for the transportation of things, the carrier undertakes to transport things from one place to another.

Article 881

The carrier has to make available the things to the consignee, at the place, on the time and in the ways provided for by the contract.

If the delivery is not to be made at the place of the consignee, the carrier should notify him immediately for the arrival of things transported.

If from the shipper is given a bill of lading of accompanying, the carrier has to show it to the consignee.

Article 882

The shipper shall accurately tell the carrier the name of the consignee and the destination, the nature, weight, quantity and number of the things to be transported, and such other information as it is necessary to effect the transportation.

If any particular documents are required to effect transportation, the shipper shall turn over such documents to the carrier at the time of delivery of the things to be transported.

Damages arising from the omissions or inaccuracies of the information in or caused by the failure to deliver or the irregularity of the documents shall be borne by the shipper.

Article 883

The shipper shall, on request of the carrier, issue a bill of lading with his signature, containing the information set out in the preceding article and the conditions agreed upon for the transportation.

When the bill of lading is given in some copies, the number of copies must be shown in each of them. The remaining copies lose their value after the things are delivered to the person who has the title.

This information is considered believable until the contrary is not proved against the carrier, who has the right to verify them with professional care.

The carrier, at the request of the shipper issues a duplicate of the bill of lading with his signature or, if no bill of lading was released a shipping receipt, containing the same information.

Article 884

The contract of transport is concluded from the moment when the document of the transport is made and the shipper has made the payment for the transport, unless otherwise provided by contract or law.

Article 885

If the commencement or continuance of the transportation are hindered or seriously delayed for causes which can not be imputed to the carrier, the latter shall at once request instructions from the shipper, and shall provide for the custody of the things consigned to him.

The carrier is entitled to the right of the reimbursement for the expenses.

If transportation has already begun, he is also entitled to the payment of the price in proportion with the route covered, unless the interruption of the transportation is caused by the total loss of the things as a result of a fortuitous event.

If circumstances make impossible the receiving of the instructions from the shipper, or if such instructions cannot be carried out, the carrier can deposit the things, or if the things are in the risk of being damaged or, are of a serious risk for the places they have been deposited, he can take measures to sell them for the best price attainable.

The carrier shall notify the shipper promptly of such deposit or sale.

The rules above are applied also when the consignee cannot be found or, refuses or, delays in demanding the delivery of the things, as well as when a disagreement arises among some consignees or, for the right of the consignee to take delivery or for its execution.

Article 886

The shipper can suspend the transportation of the things, demand their return, or order that delivery be made to a consignee other than the one who was originally indicated, or otherwise dispose of the things, subject always to the obligation of the reimbursement of expenses and compensation for damages arising from such second order.

If a duplicate of a bill of lading or a shipping receipt has been issued by the carrier to the shipper, the shipper cannot dispose of the things delivered for transportation unless he offers such duplicate or receipt to the carrier for entry of the new notations. These shall be signed by the carrier.

The shipper cannot dispose of things which have been transported after the moment when they have been put at the disposal of the consignee.

Article 887

Claims against the carrier arising from the contract of carriage accrue to the consignee from the moment when, after arrival of the things at the destination or after the expiration of the time limit within which the things should have arrived. The consignee requests the carrier to deliver them, the consignee cannot exercise the rights arising from the contract, except when it pays the carrier the credits arising from the transport and the bill of lading that accompany the things that have been transported. In case of disagreement as to the amount due, the consignee shall deposit the disputed difference with a third person.

Article 888

A carrier who makes delivery to the consignee without collecting his own claims or the bills that accompany the things transported, or without requiring the deposit of the disputed amount, is liable to the shipper for the amount of the charges owing to the latter and cannot demand payment of his own claims from him. However the right of action against the consignee is saved

Article 889 The Liability for Loss and Deterioration During the Transportation

The carrier is liable for loss or deterioration of things delivered to him, from the time that he receives the things to the time when he makes delivery to the consignee, unless he proves that such loss or deterioration was the result of a fortuitous event or, to an act of the shipper, of the consignee or of the owner of the things sent, or the deterioration or the kind or the defects of the things themselves.

If the carrier accepts without reservation the things to be transported, it is presumed that they do not have any visible defects in packing.

The carrier, on the request of the consignee, is obliged to keep a record for the loss and deterioration of the things delivered for transportation.

Article 890

The carrier shall notify the carrier promptly and before the delivery of the things, for the deterioration that the things have had.

Article 891

If the things have been lost or deteriorated, the damage is evaluated, unless a contrary agreement exists, on the basis of their prices at the time of loading from the carrier. If the things have deteriorated, the carrier has to compensate the damage at the amount of the difference between the value of the things at the moment of the loading and their value at the moment of the delivery.

Article 892

The consignee has the right to be insured, with his own expenses, before the taking of delivery, for the identity and the state of the things transported.

Article 893

The acceptance, without reservation, of delivery of the things transported and the payment of what is due to the carrier, extinguishes causes of action arising from the contract, except in cases of fraud or gross

negligence of the carrier. Actions on the grounds of partial loss or of deterioration not detectable at the time of delivery are not affected, provided that the damages are reported as soon as they are known and not more than 20 days after receiving delivery.

Article 894

If the carrier is bound to forward the things transported beyond his own lines by means of consecutive carriers, without requiring from the shipper a bill of lading for the final place of destination, the carrier is presumed to have assumed the duties of a forwarding agent for such shipment beyond his own lines.

Article 895 The Transport Done by Some Carriers

If the carriage of things is undertaken collectively under one contract by consecutive carriers, the carriers are liable in solido for the performance of the contract, from the original point of departure to the place of destination.

A carrier that is sued for an action for which he is not responsible, he can have a course of action against the other carriers, either individually or collectively. If it becomes clear that the harmful event occurred on the route of one of the carriers, that carrier is liable for the entire compensation; otherwise, all the carriers are liable for such compensation in shares proportionate to their own section of the route, except those carriers who prove that the damage did not occur in their own route.

Article 896

Consecutive carriers have the right to require declaration, to be made in the bill of lading or in a separate document, describing the condition of the things at the time they are delivered to them. In the absence of such declaration, the carriers are presumed to have received delivery of the things in good condition and in conformity with the bill of lading.

Article 897 The Responsibility of the Shipper and Carrier for the Delay

When the delivery of the things for transportation or the delivery of the things to the consignee is not done within the terms decided for in the contract, the party that has caused the delay is liable for the corresponding damages.

Article 898

The claims that derive from the transport are privileged towards the things transported until they remain with the carrier. The carrier can keep the thing under such privilege until his claim is fulfilled, and also he can sell it according to the rules for the sale of the pledge.

Article 899 The Responsibility of the Last Carrier

The last carrier represents the preceding ones both in collection of the claims owed to each of them under the contract of transportation, and in the exercise of the privileges attached to the things transported. If the carrier fails to collect such claims or to exercise such privileges, he is liable for the sums owing to the preceding creditors, saving his cause of action against the consignee.

Article 900 Referring Provision

For transportation by water, air or railway and postal routes, the provisions of this part are applied if no specific provisions exist.

CHAPTER IX – BORROWING/LENDING

Article 901

In the contract of borrowing/lending the lender gives to the borrower without a payment a certain thing, in order for the first to use it temporarily, and this party is obliged to turn that thing within the term fixed in the contract. When no term is provided by the contract on the request of the lender.

Article 902

The contract of borrowing/lending is formed from the moment that the thing is delivered.

Article 903

The borrower is obliged to treat the thing carefully. He can not use it differently from the use provided for by the contract or the nature of the thing. The borrower can not give the thing to a third person for use without the consent of the lender.

When the lender does not fulfill the obligations mentioned above, the lender can ask the immediate return of the thing except the indemnity of the damage.

Article 904

The borrower is responsible for the lose or the damage of the thing, except when it proves that the lose or the damage caused to the thing would have happened even if the thing was not lent.

Article 905

If the borrower uses the thing differently from how is provided in the contract or its nature and for a longer period than necessary, is responsible even for the loss by chance, except when it proves that would lose anyway even if used differently or returned within the time provided for in the contract.

Article 906

The borrower can not ask the payment of the expenses made in order to use the thing.

Article 907

If within the time limit or before that the borrower has ceased to use the thing according to the contract, the lender is in front of an emergency and unforeseen situation when he needs the thing, he can ask the dissolution of the contract and the immediate return of the thing.

Article 908

If the borrower dies, the lender can ask the immediate return of the thing from the heirs even if the thing is given for a certain term.

Article 909

The borrower is obliged to do with his own expenses the usual repairs of the thing that is the object of the contract, except when provided differently in the contract. The other repairs are done by the lender.

Article 910

If during the contract the borrower is obliged to keep the thing safe, to do extraordinary expenses that are necessary and immediate, and if he did not have time to give notice to the lender, the last should pay them to the borrower.

Article 911

If the thing that is the object of the contract had such defects that damage the person who uses that, the lender is obliged to pay indemnity for the damage caused as long as knowing these defects has not warned the borrower against them.

Article 912

When the term of the borrowing/lending contract has come to an end, or when the contract is dissolved before that term, the borrower is obliged to give the thing back to the lender in the same conditions that it were when lent except the ordinary changes caused from the use, or in the conditions provided by the contract. Unless the contrary is proved it is presumed that the thing is taken in good conditions.

CHAPTER X - MANDATE

GENERAL PROVISIONS

Article 913

A mandate is a contract whereby one party binds himself to accomplish one or more legal transactions for the account of another.

Article 914

If the mandatory has been given the power to act in the name of the principal, the provisions on the agency apply.

Article 915

A mandatory acting in his own name acquires the rights and assumes the duties arising from transactions made with third persons, even if the later had knowledge of the mandate.

Third persons have no relationship with the principal. However, the principal can, by substituting himself for the mandatory, exercise claims arising from the performance of the mandate, except when in doing so he impairs the rights attributed to the mandatory by the provisions of the following Articles.

Article 916

The mandatory is obliged to do the work and the legal actions for which he is charged with according to the instructions of the principal. The mandatory can depart from the instructions received whenever circumstances unknown to the principal and such as cannot be communicated to him in time reasonably create the assumption that the principal would have given his approval and only when this is necessary for protecting the interests of the principal.

Article 917

A mandate covers not only the acts for which was granted, but also those necessary to perform such acts.

A general mandate does not cover acts which exceed the ordinary course of business, unless such acts are expressly indicated.

Article 918

The principal can claim movables acquired for his account by the mandatory who has acted in his own name, without prejudice to the rights of third persons as result of good faith possession.

If the things acquired by the mandatory consist of immovable or movables inscribed in public registers, the mandatory is under an obligation to transfer such things to the principal.

Article 919

The creditors of a mandatory cannot enforce their rights on property which the mandatory has acquired in his own name in carrying out the mandate, provided that in the case of purchase of movable property or claims, the mandate be evidenced by writing bearing a certain date prior to the attachment of the property or, in case of immovable property or movable property inscribed in public registers, the transcription of the transaction effecting the transfer of the ownership or of the judicial petition for the purpose of obtaining said transfer be prior to such attachment.

Article 920

A mandate is presumed to be non-gratuitous. If the parties have not established the amount of compensation, it is determined on the basis of trade rate or of usage; in the absence of both, it is determined by the court.

Article 921

The mandatory is bound to perform the mandate faithfully and with diligence. He is bound to make known to the principal any supervening circumstances which might cause the revocation or the modification of the mandate.

The mandatory is also bound to perform the mandate personally, except when authorized to give it to a third person, bound by the circumstances, or while protecting the interests of the principal.

Article 922

The mandatory shall provide for the custody of the property forwarded to him for the account of the principal, and shall protect the rights of the letter against the carrier, if the property shows signs of deterioration or was delayed in arriving.

Article 923

In the absence of an agreement to the contrary, the principal is bound to furnish the mandatory with the means necessary to perform the mandate and to fulfill the obligations which the mandatory has undertaken in his own name.

Article 924

The mandatory shall give all the information together with all the justificatory documents and render an account for his activities to the principal, when the latter asks it, and shall return over to him all that he has received as a result of the mandate.

Article 925

The principal shall reimburse the mandatory for the sums advanced by the latter, together with the interests at the legal rate computed from the day on which such sums were advanced, and he shall pay the mandatory the enumeration to which he is entitled.

Article 926

The credits of money derived from his work and actions, have priority to those of the principal and his creditors.

Article 927 Extinguishment of Mandate

The mandate is extinguished by the death, legal incapacity or bankruptcy of the principal or the mandatory, except on contrary agreement or when it results differently from the nature of the present circumstances.

However, when the extinguishment of the mandate might infringe the interests of the principal, the mandatory, the heirs or the representatives are bound to keep on running the administration until the principal, his heirs or representatives, are able to deal with the matter directly.

Article 928 Withdrawal from the Mandate and its Legal Effects

The mandatory can withdraw from the contract, but if it was agreed differently, he is liable for damages, unless the withdrawal is made for a just cause.

A mandate which is given also in the interest of a mandatory or of third persons is not extinguished by revocation by the principal, unless it is otherwise agreed or unless there is a just cause for such revocation, but it is not extinguished by the death or the supervening incapacity of the principal.

Article 929

The appointment of a new mandatory for the same transaction, or the completion of the transaction by the principal, implies a revocation of the mandate and takes effect from the day on which the mandatory has been notified thereof.

Article 930

The revocation of a non-gratuitous mandate, given for a specified period of time or for a specified transaction renders the principal liable for damages if the revocation was made before the expiration of the time limit or before the completion of the transaction, unless there is just cause for the revocation.

In case of a mandate for an indefinite time, revocation makes the principal liable for damages if no adequate advance notice is given, unless there is just cause for the revocation.

Article 931

A mandatory who renounces the mandate without just cause must compensate the principal for damages. In case of a mandant for an indefinite time, the mandatory who renounces the mandate without just cause is liable for damages, unless he gives adequate advance notice.

In all cases except those of grave difficulty for the mandatory, the renunciation must be made in such manner and in such time as will enable the principal to make other arrangements.

Article 932

If the mandate is given by some persons but in the same document and for matters of common interest, the withdrawal has not effect when it is not done by all the mandatories, unless there is just cause to withdraw.

Article 933

The actions that the mandatory has done before that he has notice of the revocation are valid against the principal and his heirs.

Article 934

The mandant given to some mandatories that are thought to work jointly is revoked even if the reason for the revocation has to do only with one of the mandatories, unless when provided differently in the agreement.

CHAPTER XI - COMMISSION

Article 935 Content

A contract of commission is a mandate concerning the purchase or the sale of property for the account of the principal and in the name of the agent.

Article 936 Rights and Obligations of the Parties

The principal is obliged to pay to the commission agent all the expenses that he has done for the accomplishment of the mandate and the compensation that is provided for in the contract of commission, as well as setting the commission agent free from all the obligations that he has undertaken towards other people for the accomplishment of the commission.

Article 937

In absence of another decision from the principal, a commission agent is presumed to be authorized to allow delays in payment according to the customs in the place where the transaction is made.

If the agent, notwithstanding a prohibition of the principal or when he is not authorized by the customs, allows delay in the payment, the principal can demand immediate payment of the price from him, subject to the commission's agent right to any advantage deriving from granting the delay in payment.

The commission agent who has granted a delay in payment shall disclose to the principal the party with whom he contracted and the extend of the term granted; otherwise, the transaction is considered as made without granting any delay, and the provision of the preceding paragraph applies.

Article 938

The commission agent is not responsible for the execution from the third party of the contract that the commission agent has done with him for the account of the principal, except when otherwise provided by the commission contract itself

Article 939

When the commissioner has done the legal action in conditions more favorable from those in the instructions of the principal, everything that the commission agent has won in this case, goes to the principal.

Article 940

The commissioner has the right to not comply with the instructions that the principal has given to him when, because of the change in the circumstances, such noncompliance is necessary for the interests of the principal, and the commissioner can not communicate before with the principal or, when, even though he has asked him he did not have any answer on time.

Article 941

The commissioner is bound to create a contract of insurance for the things of the principal that he has, only if it is provided for in the commission contract, or if the insurance is obligatory according to the law.

Article 942

The principal can change the row of concluding the agreement for as long as the commission agent has not finished it. In this case the commission agent has the right to a part of the reward for the mediation that is defined by keeping in mind the expenses and the work done.

Article 943

Unless otherwise directed by the principal, under commission to buy or sell goods, titles, currency or other values having a list price or a price decided by government bodies, the commission agent can include at the same price fixed at the moment of the execution of the mandate the things that he has to buy, or to buy for himself the things that he has to sell, saving his right to the commission for the mediation.

Article 944 Referring Provision

The provision on the mandate are applicable to the commission as well, unless otherwise provided in this chapter.

CHAPTER XII - FORWARDING CONTRACT

Article 945 Content

A forwarding contract is a mandate by which a forwarding agent undertakes the obligation, in the name and for the account of the principal, to enter into a contract of carriage and to perform all accessory operations.

Article 946 Rights and Obligations of the Parties

Until the forwarding agent has not entered the contract into the contract of transportation with the carrier, the sender can revoke the order for forwarding, reimbursing the agent for his expenses and giving him fair compensation for his services.

Article 947

In choosing the route, the means, and the mode of transportation of the goods, the forwarding agent is bound to follow the instructions of the principal and, in the absence of instructions, to act in the best interest of the principal.

Premiums, cut-rates and tariff profits obtained by the forwarding agent shall be credited to the principal, unless provided differently by agreement.

Article 948

The amount of compensation due to the forwarding agent for performance of the undertaking is determined, in the absence of agreement, in accordance with professional rates, in their absence, in accordance with the customs of the place where the forwarding is made.

Advances and compensation for accessory services performed by the agent shall be settled on the basis of the justificatory documents, unless an all inclusive amount was agreed upon previously for such compensation and reimbursement.

Article 949

A forwarding agent, who, wholly or in part, undertakes the carriage with his own or other persons' means has the duties and rights of a carrier.

CHAPTER XIII - CONTRACT OF AGENCY

GENERAL PROVISIONS

Article 950

By the contract of agency one party permanently undertakes, for a remuneration, to promote the making of contracts for the account of another person within a specified territory.

Each party is entitled to a copy of the contract signed by the other party.

Article 951

The principal can not employ more than one agent at the same time in the same area and in the same line of business, nor can the agent undertake to transact business in the same area and in the same line for the account of more than the enterprise in competition with each other.

Article 952

The agent can not collect claims of the principal.

If this power has been granted to him, he cannot grant discounts or delay without special authorization.

Article 953

All declarations concerning performance of the contract entered into through an agent, and all complaints relating to non-performance of such contract, can validly be made to the agent.

The agent can demand precautionary measures in the interest of the principal and submit claims which are necessary to preserve the rights of the principal.

Article 954 Rights and Obligations of Parties

The agent shall fulfill the task entrusted to him in accordance with the instructions received and shall give his principal all information concerning market conditions in the area assigned to him, as well as any other information which can be useful in appraising the advantages of individual transactions.

He shall likewise conform to the duties incumbent on commission agents insofar as such duties are not excluded by the nature of the agency contract.

Article 955

The agent who is not in a position to fulfill the task with which he is entrusted shall immediately notify his principal. Otherwise he is liable for damages.

Article 956

The agent is entitled to receive a commission only for transactions which have been regularly completed. If a transaction is only partially completed, the agent is entitled to a commission proportional to that part which was completed.

Unless otherwise agreed, the commission is also owed for transactions which have been directly brought about by the principal and are to be performed in the area reserved to the agent, except when provided differently in the contract.

The agent is entitled to the commission for the completed transactions even if the contract is dissolved, if the termination is especially the result of his activity.

The agent is not entitled to reimbursement for expenses connected with the agency.

The principal should give to the agent the necessary documents for the property or the services and the necessary information for the execution of the contract. The principal should especially give notice to the agent within a reasonable time from the moment that it comes to its knowledge that the volume of the commercial operations is much lower than that of what the agent would normally expect. The principal should also give notice within a reasonable time for the acceptance, rejection or the nonfulfillment of an agreement concluded by the agent. The principal delivers to the agent an extract of the account for his commission, not later than the last day of the month that comes after the three month period during which it is done. The extract of the account should show the essential elements on basis of which the account of the commission is made.

Within the same term the liquidated commissions must be effectively payed to the agent. The agent has the right to be given all the information and especially an extract of the necessary accounting books for the verification of the measure of the liquidated commissions.

Article 957

The agent is entitled to the commission even for those transactions which have not been completed due to causes imputed to the principal. If the principal and the third party agree on the full or partial nonfulfillment of the contract, the agent has the right to get a reduced commission for the part not fulfilled at the measure provided by agreement, usage or as decided by the courts.

Article 958

When the contract of agency with a fixed term keeps on running after the termination, it becomes a contract with an indefinite term. If the contract of agency is with an indefinite term, each of the parties can withdraw from this contract after giving notice to the other party within a time limit.

The term for giving notice can not be however less than one month for the first year of the contract, two months for the second year, three months for the third year, four months for the fourth, five months for the fifth and six months for the sixth and for further years.

The parties can agree for the longest term during which notice should be given, but the principal can not use a shorter term than the agent.

Except when otherwise agreed by the parties, the termination of the preliminary notice must coincide with the last day of the calendar year.

Article 959

On the termination of the agency contract, the principal should pay to the agent a commission in the measure and when:

- the agent has found new clients for the principal or has notably developed the agreements with the existing clients and the principal has still considerable profits deriving from the agreements with these clients;

- the payment of this commission is said to be suitable when all occasional circumstances have been kept into account, especially the commission that the agent loses from the agreements with these clients.

A commission is not paid when:

- the principal dissolves the contract for reason of a non-fulfillment attributed to the agent, which for reason of its measures, does not permit even the temporary pursuance of the agreement;

- the agents withdraws from the contract except in case when the withdrawal is justified from the circumstances as regards to the position of the agent like for example the age, temporary disability or any illness for which in a reasonable way would not be asked the continuation of the activity;

- according to an agreement with the principal, the agent gives to a third party the rights and obligations that he has from the contract of agency.

The measure of the commission cant be larger than the amount than the annual amount of the commission calculated on basis of the annual average of the commissions that agent has received during the last five years. If the contract is less than five years than the calculation is done as to the average of this period.

The award of the commission does not deprive the agent from the right of the indemnity for damages.

The agent loses the right of indemnity provided for in this Article if he gives notice to the principal for its demands within one year from the interruption of the agreement.

Article 960

The agreement that limits the competition from the agent after the dissolution must be done in writing. This must treat the same area of clients and things, property or services for which the contract of agency was formed and its duration can not be longer than the following two years from the dissolution.

Article 961 Referring Provision

The provisions of this chapter should be used even in case when the principal gives to the agent the right of representation for formation of contracts.

CHAPTER XIV - TRANSFER THE PROPERTY TO THE CREDITORS

GENERAL PROVISIONS

Article 962

The transfer of the property is the contract by which the debtor assigns his creditors or some of them to liquidate all or some of his activities, so in that way they can distribute among each other the profits made during the fulfillment of their credits.

Article 963

The transfer of the property must be done in writing otherwise it is invalid.
If among the properties transferred are even credits, then the provisions of Articles 502 and 503 of this Code apply.

Article 964

The administration of the transferred property is up to the respective creditors. They can make claims for all the property matters concerning this property including the claims for the protection of the possession.

Article 965

The debtor can not dispose the things that are transferred to the creditors.
The creditors, whose credits existed before the transfer of the property and that have not interfered, can ask the execution for all this property.
The creditors to whom the property has been transferred, if the transfer has as its object only some activities of the debtor, can not ask the execution for other activities, before the liquidation of those connected with the property transferred.

Article 966 Rights and Obligations of the Parties

The creditors that have formed the contract or that have taken part in it, should make advanced payment for the necessary expenses for the liquidation and have the right to take back this amount from the income that comes from the liquidation.

Article 967

The creditors should distribute among each other the income that derives from the liquidation in proportion with their credits, except on cases when the right of preferability applies. The difference belongs to the debtor.

Article 968

The debtor is entitled to control the administration and have reports on the financial condition at the end of the liquidation, or at the end of each year if the administration is longer than one year.

Article 969

The debtor is free from his creditors, only from the day when they receive their part from the income resulting from the liquidation and only on the limits of the amount they have received, except on case of contrary agreement.

Article 970

The debtor can withdraw from the contract by offering to pay the obligations and the interests to those with whom he has been contracted or that have joined this contract. The withdrawal has effect from the day when the payment is made.

The debtor is obliged to pay the expenses of the actions made for the administration of the property.

Article 971 Dissolution of Contract

The contract can be dissolved if the debtor, after declaring that has transferred all his property, has hid a considerable part of it, or if he has concealed the losses or has showed losses that do not exist.

Article 972

The contract can be dissolved for reason of nonfulfillment according to the general rules.

CHAPTER XV - BROKERS

Article 973 The Content

A person who places two or more parties in contact for completing an agreement, without being connected with either of such parties by way of collaboration, employment or representation, is a broker.

Article 974 Commission

In the absence of agreement, or when the fee schedules or usage do not establish it, the amount of such commission and the proportion in which it is chargeable to each of the parties are determined by the court.

Article 975 Rights and Duties of the Parties

The right of the broker for the commission arises when the contract of brokerage brings its effects notwithstanding its later events.

The previous paragraph is not applied when the broker's contract can be declared invalid, because of the broker having notice of the reason for such invalidity.

Article 976

The broker has the right to be payed for the expenses by the person for whom these expenses were done even when the agreement was not concluded, except when otherwise resolved by agreement or customs.

Article 977

If a transaction is concluded through the intervention of some brokers, each of them is entitled to a share of the commission.

Article 978

The broker must inform the parties of all facts known to him which concern the appraisal and security of the agreement, which can influence its conclusion.

The broker is answerable for the authenticity of the signature of the documents and for the last endorsement of the titles transmitted through him.

Article 979

The duties of a professional broker of goods or titles are:

1) to retain the sample where goods are sold by sample, as long as there is a possibility of controversy about the identity of the goods;

2) to give the buyer a signed list of the titles traded, indicating their series and numbers;

3) to record in the proper book the essentials of the contract that is stipulated through his intervention and to give the parties a signed copy of every such record.

Article 980

The broker can be charged by one of the parties to represent him in the activities connected with the performance of the contract brought about through his intervention.

Article 981

A broker who fails to reveal the name of one contracting party to the other is answerable for the performance of the contract and, after performance takes the rights against the undisclosed contracting party.

If after the conclusion of the contract the undisclosed contracting party reveals himself to the other or is named by the broker, each contracting party has a direct cause of action against the other, but the responsibility of the broker remains unaffected.

CHAPTER XVI - DEPOSIT

GENERAL PROVISIONS

Article 982

Deposit is a contract by which one of the parties receives a movable thing from the other under a duty to keep custody of it and return it unchanged.

Article 983

The contract of deposit is concluded from the moment when the thing is deposited for custody.

Article 984

A deposit is presumed to be gratuitous unless a different intention of the parties should be inferred from the professional status of the depositary or other circumstances.

Article 985 Rights and Obligations of the Parties

The depositary shall custody the thing with care. He can not make use of it himself and he can not transfer the deposit to the others without the consent of the depositor. If he uses the thing without the consent of the depositor, the depositary is responsible for its loss or damage up to the time of the fortuitous event.

If urgent circumstances demand it, the depositary can exercise the custody in a manner different from that agreed, giving notice to the depositor as soon as possible.

Article 986

The depositary is bound to return the thing deposited at any time that the depositor requests it, even in case a term is established for its return, unless the time limit was in the favor of the depositary.

Restitution of the thing deposited shall be done at the place where the thing has to have been kept in custody, except the accomplishment of the parties the restitution is done with the expenses of the depositor.

Article 987

If the deposit is gratuitous, the court can reduce the amount of the indemnity for the damage.

Article 988

The depositor is obliged to reimburse the depositary for the expenses incurred for the preservation of the thing, if these are not included in the remuneration.

Article 989

When a term is not established for the restitution of the thing left in deposit, the depositary has the right to ask at any time that they are relived from the obligation for the custody of the thing, by informing the depositor to take the thing back within a sufficient term that he himself establishes.

Article 990

The depositor is bound to indemnify the damage that is caused to the depositary from the hideous defects of the thing, if knowing this, he did not tell that to the depositary.

Article 991

When the depositaries of a thing are more than one and they do not agree for its return, then the court decides.

It is acted in this way even when a single depositor has left some heirs, if the thing cannot be divided.

When the depositaries are more than one, the depositor has the right to demand the restitution from the person that keeps the thing, who should immediately announce the others.

Article 992

If the thing was deposited also in the interest of a third person and this person has notified the depositors and the depositaries of his approval, the depositary is not released by returning the thing to the depositor without the consent of the third person.

Article 993

The depositary is bound to return the fruits of the thing which he has collected.

Article 994

The heir of the depositary who in good faith has alienated the thing, not knowing that it was held in deposit, is only bound to restore the price received.

If it has not been paid, the depositor takes the rights of the seller.

Article 995

The depositary shall return the thing to the depositor or to the person named to receive it, without the need of the depositor to prove that he is the owner.

If the depositor is sued by a person claiming ownership of the thing or the rights therein, the depositary shall denounce the litigation to the depositor and demand that he be expelled from the judgement by showing the person himself, otherwise he will be bound to pay the damages. In this case he can be relieved from the obligation to restitute the thing, by depositing it according to the manners provided by the court with the expenses of the depositary.

Article 996

If custody of the thing is taken from the depositary by a cause not imputable to him, he is released from the obligation to return the thing, but he shall give the depositor immediate notice of the facts that caused the loss, otherwise he has to pay for the damages.

The depositor is entitled to receive what the depositary has collected as a result of such facts and takes the rights belonging to the latter.

Article 997

The credits that derive from the deposit in favor of the depositor are privileged on the thing given in deposit. The depositor can keep the thing that is privileged until he is compensated for his credit and he can as well sell it according to the provisions for the pledge.

Article 998

When the thing deposited is not taken back on the time settled in the contract or after the announcement of the depositary, he is not responsible for the loss or the damage of the thing that happens after the time limit has passed, unless the loss or the damage has been caused on purpose or because of his gross negligence.

In cases mentioned above, the depositor has the right to demand from the court to allow the sale of the thing that is left in deposit according to the rules of obligatory execution.

The amounts realized from the sale of the thing, after the amount that the depositary would take are reduced, are given to the depositor or are deposited in the bank, on his name.

Article 999 Referring Provision

If the deposit has as its object an amount of money or equivalent things and the depositary has the right to use them, he acquires the ownership and is obliged to return them in the same amount and in the same kind or quantity.

In this cases the provisions for the loans are applied, when they are not contrary to the provisions that regulate the deposit.

A. Deposit in General Warehouses

Article 1000

General warehouses (store-house) that act as depositaries, are responsible for the preservation of the things deposited, unless it is proved that the damage was due to a fortuitous event, to the nature of the goods or defects in goods or their packing.

The depositary must in any case exercise the necessary activity for the limitation of the damage.

Article 1001

The depositary warehouses must preserve the things deposited separately from each other, as well as giving them recognizable signs which will show the belonging of the thing to the depositor.

Except on cases of expressed approval of the depositor, they cannot mix among them equal things of the same kind and quantity.

The depositor has the right to inspect the deposited things and to take back the samples of usage.

Article 1002

When the general warehouses have delivered a representing title of the things deposited, the depositary should return the things back only to the creditor who is legitimated by the title.

Article 1003

The general warehouses, after notifying the depositor, can start to sell the things at their highest price if, at the termination of the contract the things are not retaken, or if the deposit is not renewed, and in all cases, when the things are in danger of deterioration or if they are a big danger for the places where they are deposited.

The proceeds of sale, after deducing the costs and the remaining expenses of the deposit, shall be delivered without delay to the depositor.

B. Deposit in Hotels

Article 1004

Hotel keepers are liable for the damage, destruction or the loss of the things that the clients have brought into the hotel.

Are considered as brought in the hotel:

- 1) the things situated in the hotel during the time that the guest is accommodated there;
- 2) the things which the hotelkeeper, a member of his family or one of his assistants take the responsibility to custody, outside the hotel, during the period in which the guest is accommodated there;
- 3) the things of which the hotelkeeper, a member of his family or his assistant take custody both in the hotel and outside the hotel, during a reasonable period of time prior or after the guest has arrived.

The responsibility provided for in this article is limited to the value of what is stolen, damaged or lost up to an equivalent of one hundred times the price of rental of the accommodation per one day.

Article 1005

The responsibility of the hotelkeeper is unlimited:

- 1) when the things are consigned to him in custody;
- 2) when he refused to take in custody things which he had an obligation to accept. The hotelkeeper is under an obligation to accept securities, money in cash and objects of value; he can refuse to receive them only if they are dangerous or objects which, taking into account the importance and the operating conditions of the hotel, have an excessive value or cumbersome features.

The hotelkeeper may require that the thing consigned to him be contained in a closed or

sealed wrapping.

Article 1006

The hotelkeeper is not responsible when the theft, damage or loss are due:
1) to the guest, the persons accompanying him, employed by him or visiting him;
2) to force majeure;
3) to the nature of the things.

Article 1007

The hotelkeeper is answerable and may not assert the limitation contemplated in the last paragraph of article 1004, when the theft, damage or loss of the things brought into the hotel by the guest is due to his own negligence or to the negligence of the members of his family or of his assistants.

Article 1008

Except in the case contemplated in article 985 the guest may not use the preceding provisions if, after having ascertained the theft, damage or loss, he reports the fact to the hotelkeeper with unjustifiable delay.

Article 1009

The agreements or declarations intended to exclude or limit in advance the responsibility of the hotelkeeper are void.

Article 1010

The above provisions do not apply to the vehicles, to things left in them or to live animals.

Article 1011

For the evaluation of the responsibility, or for drawing the limit of compensation, the provisions for deposits in the hotels are applied also to the undertakers of public or private medical clinics, to the institutions for public performances, holiday houses, hotel pensions, restaurants and for all the cases in which from the special activity itself exercised by the undertaker, the client can not take care himself of the things.

Article 1012

The credits of the hotelkeeper for the compensations (should be services) done to the guests, have privilege to the things brought by them in the hotel and under his supervision and that are still there.

The privilege has effect against the third persons that have rights themselves on these things, on the condition that the hotelkeeper has notice for this rights at the time that the things are brought to the hotel.

CHAPTER XVII - CURRENT ACCOUNT

Article 1013

A contract of current account is one by which the parties undertake to enter in one account claims arising from reciprocal remittances, with the understanding that such claims are uncorrectable and untransferable until the closing of the account.

The balance of the account is collectable on the expiration of the term. If payment is not demanded, the balance is considered renewed for an indefinite time.

Article 1014

Claims which cannot be compensated are excluded from the current account. When the parties to the contract are undertakers, are excluded from the current account the foreign credits for the respective enterprises.

Article 1015

The actual amount has interests at the rate established by the contract or in its absence from the law, but always within the limits defined by it.

Article 1016

For the current accounts the commission is paid as well as the expenses done for the actions related to the remittances. These rights are not part of the account, unless otherwise provided by agreement.

Article 1017

The inclusion of a claim in a current account does not prevent the exercise of the right of the action or the other rights, relating to the transaction from which the claim arises.

When the above transaction is declared void or, is declared as such or, dissolved, the corresponding amount of money is expelled from the current account.

Article 1018

If a claim included in the account is secured by a real or personal guarantee, the client has the right to use this guarantee for the balance existing in his favor from the closing of the account up to the encasement of the guaranteed claim.

The previous paragraph applies even if for the claim there is an in solido obligation.

Article 1019

Unless parties have agreed otherwise in the contract, the inclusion in the current account of a claim against a third person, is presumed to be done with the condition to be paid. In case the claim is not fulfilled, the party receiving the remittance has the right to act for the collection, withdrawing the amount of money from the account, by reintegrating the one who has done the remittance. This amount can be taken away from the account even after exercising without any results his rights against the debtor.

Article 1020

If the creditor of one of the clients has sequestered the eventual balance of the account that belongs to his debtor, the other client cannot by new remittances prejudice the rights of the creditor. There are not considered as new remittances those made depending from the rights deriving before the sequestration.

The client against whom the sequestration is done or against whom the pledge is taken must notify the other party. Each of them can withdraw from the contract.

Article 1021

The closing of the account and liquidation of the balance are done at the expiration of the terms stipulated in the contract and, in their absence at the end of each period of 6 months computable from the date of the contract.

Article 1022

The transfer of the transactions from one client to another is considered approved if it is not contested within the time agreed by the parties or within the term that can be considered suitable in the circumstances.

Approval of the transaction does not include the right to attack the account for errors in writing or calculation, for omissions or duplications.

The contestation must be done within 6 months from the date of receipt of the statement of account rendered in connection with the closing liquidation, which statement shall be sent by registered mail. Replacement in the term is not allowed.

Article 1023

When the contract is formed for an indefinite time, either party can withdraw from the contract on any closing of the account, by giving at least ten days advance notice. In case of termination of the exercise of this activity, of the incapability of action, of the incapability of payment or the death of one of the parties, each of them, or their heirs, have the right to withdraw from the contract.

The termination of the contract prohibits the inclusion in the account of the new amounts, but the payment of the balance can not be demanded only after the expiration of the term set in article 1021.

CHAPTER XVIII - BANKING CONTRACTS

A. Bank Deposits

Article 1024

When an amount of money is deposited in a bank, this acquires the ownership and it is bound to return the same kind of money at the expiration of the agreed term or on demand of the depositor, observing the period of advance notice established by the parties or by the bank customs.

Article 1025

If the bank issues a saving account passbook, deposits and withdrawals shall be entered in such book. '

Entries made in the passbook and signed by the bank clerk who appears to be assigned to this duty constitute full proof as between the bank and the depositor.

Any agreement to the contrary is void.

Article 1026

If the passbook is payable to the bearer, the bank that without will or without gross fault does the service toward its possessor, it is not responsible, even if such holder is not the depositor.

The same provision applies if a passbook payable to the bearer is issued in the name of a specified person.

The provisions of special laws are unaffected.

Article 1027

A bank that accepts a deposit of securities for administration shall retain the custody of such securities by collecting the interests or dividends, to verify the trade for the prize or reimbursement of principal, taking care for the collection of the income for the account of the depositor, and generally provide for the protection of the rights relating to such securities. The sums collected shall be credited to the depositor's account.

If for the securities deposited an option right should be exercised, the bank shall make a timely request for instructions from the depositor and shall carry them out, if in case of need has taken the necessary funds. In absence of such instructions the option rights shall be sold for the account of the depositor through a stock exchange broker.

The bank is entitled to a compensation in the amount set by the agreement of the parties or that normally used, except the payment of the expenses made by it.

Any agreement by which the bank is excluded from the custody and administration of the securities with a reasonable care, is void.

B. Banking Service and Safe Deposit Boxes

Article 1028

The bank for the services of safety boxes, is answerable to the user for the payment ability, the custody of the premises and for the safekeeping of the box, except for fortuitous events.

Article 1029

If a safe deposit box is registered in the name of several persons, each is entitled to open it, subject to contrary agreement.

In case of death of the single entitled person or of one of the entitled persons, the bank which has received notice can permit the opening of the safe box with the agreement of all those who are entitled, or according to the manner provided for by the court.

Article 1030

When the term of the contract has expired the bank, after giving notice to the person entitled or after the lapse of six months from the date of expiration, , can request from the court the authorization for the opening of the safe deposit box. The notice can be given by registered letter with the return receipt requested.

The opening of a box is done in the presence of a notary and keeping in mind the measures that the court regards as necessary. The court can order the necessary measures to be taken for the preservation of the objects found including here even the sale of a part of them which is necessary to satisfy the expenses done by the bank.

C. Opening of a Bank Credit

Article 1031 Definition

The opening of a bank credit is a contract by which the bank undertakes to keep a sum of money at the disposal of the other party for a stated period or for an indefinite time.

Article 1032

Unless otherwise agreed, if it is not agreed otherwise, the creditor can use the credit several times, according to the forms of use, and can reestablish his disposal by further remittances.

Unless otherwise agreed by the parties, remittances and withdrawals shall be made in the same bank where this relationship was established.

Article 1033

If the opening of a bank credit is secured by a real or personal guaranty, this is not extinguished merely because of the fact that the party who received credit, at the moment of the expiration of such relationship, ceased to be a debtor of the bank. When the guaranty becomes insufficient, the bank may require an additional guaranty or the replacement of the guarantor.

When the person receiving the credit fails to comply with the requests, the bank can reduce the credit in proportion to the diminished value of the guarantee or can withdraw from the contract.

Article 1034

The bank cannot withdraw from the contract before the expiration of the term of the contract, except for a reasonable cause or in case of existence of another agreement. Withdrawal immediately suspends the right to use the credit, but the bank should allow a period of at least fifteen days for restitution of the sums utilized and those additional ones.

When the giving of the credit is for an indefinite time, each party can withdraw from the contract by giving notice within the time fixed in the contract or that normally used or, in their absence within fifteen days.

D. Bank Advances

Article 1035 Disposability of Things Pledged

In the advancement of funds on the pledge of the titles or goods, a bank cannot dispose of the things pledged if it has issued a document in which these things are individualized.

The agreement to the contrary shall be evidenced in writing.

Article 1036

The bank shall provide for the account of the contractor for insurance of the pledged goods if, the nature, value or location of the goods make such insurance a normal precautionary measure.

Article 1037

A bank, in addition to the compensation payable to it, has the right to be reimbursed for expenses incurred in the custody of the goods and titles, unless it has undertaken such a thing.

Article 1038

The contractor, even before the expiration of the term of the contract, can withdraw the titles or the goods pledged, subject to a prior proportional payment of the sums taken in advancement and the other amounts that belong to the bank according to the previous article, if the balance of the credit results insufficiently secured.

Article 1039

If the value of the guarantee is diminished by at least one-tenth of the value it had at the time of the contract, the bank can request the debtor an additional guarantee, with the warning that otherwise the pledged titles or goods shall be sold. If the debtor fails to comply with the request, the bank can proceed with the sale under the provisions for the pledge.

The bank has a right to the immediate repayment of the balance of the account that is not satisfied completely from the proceeds of sale.

Article 1040

If by the guarantee of one or more credits are obstructed deposits of money, goods or titles which have not been identified or for which the bank is given the possibility to disposal, the bank shall return only that sum or that share of goods or titles which is in excess of the amount of the secured claims. This excess is determined on the basis of the value of the goods or the titles at the time of the end of the claims.

E. Bank Transactions for Current Account

Article 1041

When a deposit, opening of credit or other banking transactions are regulated in the current account, the client can dispose at any time the amounts resulting in his credit, unless the reserve of the term is provided for in the agreement.

Article 1042

If between the bank and the client exist some relationships or some accounts, and different currencies, the positive and the negative balance are compensated in a reciprocal way, unless there is a contrary agreement.

Article 1043

If the current account is on the name of some persons, each with the power to effect transactions individually, such persons are considered creditors or debtors in solido with respect to the balance of the account.

Article 1044

If the transactions in the current account are for an indefinite time, either party can withdraw from the contract by giving notice to the other party within the term provided for in the contract or in its absence within 15 days.

Article 1045

The bank is responsible according to the provisions that regulate the contract of mandate for the execution of the obligations taken by the depositor or another client.

If this obligation has to be carried out at a place where there are no branches of the bank, this can charge with the execution another bank.

Article 1046

Articles 1016,1019,1022 are applied for the current account.

F. Bank Discount

Article 1047 Definition

Discount is the contract by which a bank, by applying the interest advances, through a transfer, to the client the value of a credit against a third party, that is not yet finished.

Article 1048 Discount of Bills of Exchange

If the discount is made through endorsement of a bill of exchange or a bank check the bank, in case of non-payment, in addition to the rights deriving from the title, has a right to restitution of the sum advanced.

The provisions of special laws concerning the check and the bill of exchange are unaffected.

Article 1049

A bank that has discounted the documented bills of exchange, has the same privileges in the goods as the mandatory, while it holds the representing title of possession.

CHAPTER XIX - LOAN AGREEMENTS

Article 1050

The loan agreement is the contract by which one party (the lender) delivers to another (the borrower) a certain quantity of money or other fungible things, and the other undertakes to return an equal amount of money and things of the same kind and quantity, within the term provided for in the contract, or when no such term is provided for, on the request of the lender.

Article 1051

The borrower is bound to pay interest to the lender, unless otherwise agreed by the parties.

The interests on which was agreed upon, are paid once a year, unless parties have agreed otherwise.

The non payment of the interests is considered an essential nonfulfillment of the obligation.

Article 1052

If repayment in installments of the things lent is agreed and the borrower is in default in the payment two months installments, or is in default of three months in the payment of even one installment, the lender can demand that the entire amount be returned to him at once.

Article 1053

If the return of the things has become impossible or very difficult for a cause not imputable to the borrower, he is only bound to pay for the value of such things, having regard to the time and place where repayment was to have been made.

Article 1054

The lender is liable for damage caused to the borrower by defects in the things lent, unless he proves to have been, without fault ignorant to such defects.

If the loan agreement is gratuitous, the borrower is responsible only when knowing of defects, he failed to warn the borrower.

Article 1055

One who promised to enter in a loan agreement can refuse to perform his obligation if the financial condition of the other party has become such as to make repayment very difficult and no adequate security is offered.

CHAPTER XX - FRANCHISING

Article 1056 Definition

The franchising contract contains an account of continuous obligations by which independent enterprises are obliged to stimulate and develop together the commerce and the completion of services, in application of separate obligations.

Article 1057 The Obligations of the Franchiser

The franchiser is obliged to give to the franchisee a standard complex of immaterial rights, samples, charts, ideas on profit, trade, organization and other suitable knowledge for the development of the trade.

At the same time he is obliged to protect all this program of obligations from infringements by other third parties, to develop it continuously and support its fulfillment from the franchisee with instructions, information and perfection.

Article 1058 Pre-contractual Relationships

In the mediation for conclusion of the contract, the parties have to show to each other the condition of commercial affairs that deal with the franchise contract and especially with the program of franchise obligations, as well as informing each other on fiduciary basis. They are obliged to keep the secret of confidential information even if the contract is not formed.

Who infringes this obligation is liable to indemnify for the damage caused. This right lapses by prescription after three years from the day of the negotiations.

The party that was part of the negotiations can ask for the payment of the expenses done with a legal confidence in the formation of a contract, which was not formed because of an intentional course of action of the other party.

Article 1059 Form of Contract

The franchising contract should be made in writing including an unanimous definition of the collateral obligations of the parties, the duration of the contract and other substantial elements. The text of the contract should contain a full description of the program and franchise obligations.

Article 1060 Withdrawal from the Contract

The duration of the contract is decided with agreement of the parties, respecting the demands deriving from the trade and respective services.

When in the contract is not provided for a term or when the term is more than ten years, each party has the right to withdraw from the contract giving notice to the other party one year in advance.

In case of termination of the contract as result of the termination of the term or withdrawal and before the representation of the actual report of the affairs, the parties, based on principles of good faith, try once more to agree for the renewal of the contract with the same or different conditions.

Article 1061 The Restriction on the Competition

Even after the termination of the contract the parties have reciprocally the obligation for a fair competition.

On this basis the franchisee can be imposed the restriction of a local competition for a period going up to one year.

If from the restriction on the competition results a decrease of its professional activity, the franchisee is given an equal financial compensation without taking into account the termination of the contract.

Article 1062 The Responsibility of the Franchisee

The franchiser is responsible for the existence of the rights and knowledge of the program of the Franchise obligations. If the rights did not exist or if the franchiser would faultily infringe other contractual obligations, the franchisee has the right to reduce the compensation. The amount reduced must be decided with competence by an impartial expert. The franchisee can ask for the indemnity of the damage caused from the non existence of the elements of the program of obligations or from the faulty infringement of the contract from the franchiser.

Article 1063

The franchiser can ask for the indemnity of the damage caused by the faulty infringement of the contract, and especially from the insufficient application of the program of the franchise obligations from the franchisee.

Article 1064 Withdrawal

In case of infringement of the contractual obligations that put in a serious risk the scope of the trade activity, the contracting party has the right of withdrawal without being bound by a certain term.

CHAPTER XXI - LIFE ANNUITY

Article 1065

A life annuity can be established through compensation (with obligatory title) by the transfer of movable or immovable property or an amount of money.

A life annuity can also be created by a gift or will, respecting the rules of law for such legal actions.

Article 1066

A life annuity can be established for the life of the beneficiary or of another person. It can also be established for the lives of more than one person.

Article 1067

If the life annuity can be established in favor of more than one person, in absence of contrary agreement the share of a predeceased creditor accrues to the benefit of the other creditors.

Article 1068

The contract is void if the annuity is established for the life of a person who was already deceased at the time of the contract.

Article 1069 The Effects of the Contract of Life Annuity

The person on whose favor the life annuity contract was created, with an obligatory title, can demand the dissolution of the contract, if the person who gives the annuity or does not give or reduces the guaranties given in the agreement.

Article 1070

The nonpayment of due installments of life annuities does not give the right to the person on whose favor the annuity is created to demand the dissolution of the contract, but he can only demand the sequestration and the sale of the property of his debtor and from the proceedings of sale an adequate amount can be used for the payment of the rent.

Article 1071

The debtor of a life annuity can not be set free from the obligation of paying it even if he offers the payment of the money or of the thing taken, even if he waives recovery of the annual payments already made. The above is bound to pay the annuity for the full time for which it was established, regardless of how burdensome the performance may have become, unless there is a contrary agreement.

Article 1072

A life annuity is given to the person who benefits from it in proportion to the number of days lived by the person. If in the agreement is provided that the payment will be done in installments, each of them is won from the day that payment becomes due.

Article 1073

If the life annuity is created on gratuitous basis, it can be provided (or decided) that this is not sequestrable.

CHAPTER XXII - SIMPLE PARTNERSHIPS

GENERAL PROVISIONS

Article 1074

The partnership is the contract by which two or more people agree to exercise an economic activity, with the purpose of dividing the profits gained from it.

The person that is a member of the partnership should put in disposal of this activity, money, goods or services.

Article 1075

In the simple partnerships the contract is not object of a certain form, except when such thing is required by the nature of the united things.

The partnership is simple, when it does not show the distinguished characteristics of the commercial companies regulated by the Commercial Code.

Article 1076 Relationships Among the Members

The member is bound to pay the contributions settled by the contract of partnership. It is presumed that the members are bound to contribute in equal parts among them, at the measure that it is necessary for achieving the scope of the partnership, except when provided differently by the contract.

Article 1077

The contract of the partnership can be changed only with the agreement of all the partners, if not agreed otherwise in the agreement.

Article 1078

For things given in ownership, the guaranty demanded by the member and the transfer of the risks are regulated by the provisions on sales.

Article 1079

The member that has contributed in credits, is responsible for the debtor's payment incapacity, within the limits showed in Article 506 of this Code for the case of taking the guaranty by agreement.

Article 1080

Except when provided differently by agreement, the administration of the partnership belongs to each of the members separately from the others.

If the administration belongs separately to some of the members, each of them has the right to oppose the action that another wants to take, before this action is performed.

The majority of members, defined according to the part of each member in the profit, solves the dispute.

Article 1081

If the administration belongs in a common manner to some members, it is necessary the agreement of all the administrator partners for the performance of the partnership's transactions.

If it is decided that for the administration or certain transactions the consent of the majority is necessary, this is defined according to the last paragraph of Article 1080 of this Code.

In the cases provided by this Article, separate administrators can not do alone any transaction, except on urgent cases, when a damage that threatens the partnership should be avoided.

Article 1082

The removal of the appointed administrator by the contract of the partnership can be done for a right cause. The administrator appointed with a separate act can be removed according to the provisions of the contract on mandate. In this case his removal can be demanded in a legal way by each member.

Article 1083

The rights and obligations of the administrators are regulated by the provisions on mandate. The administrators are responsible solidary towards the partnership for the fulfillment of the obligations provided by law or by the contract of partnership, except when they prove that they are not at fault.

Article 1084

The members that do not take part on the administration have the right to receive notice for the ongoing of the business of the partnership, to consult the documents that deal with the administration and to hear a report when the business for which the partnership was created is completed.

If the completion of the business for which the partnership was created lasts more than one year, the members have the right to receive the report of the administrate at the end of each year, except when the contract provides another term.

Article 1085

Each member has the right to take his part of the profit after the approval of the report, except on contrary agreement.

Article 1086

The parts that belong to the members on the profit or loss are presumed in proportion with the quotes they have contributed. If the value of these contributions is not established by the contract then is the court who does it. If the contract provides only for the portion of each member on the profits, it is presumed that the same portion should be established for the loss.

Article 1087

Any agreement that excludes one or more members from the participation on the profit or loss, is invalid.

Article 1088 Relationships with the Third Parties

The partnership acquires rights and takes over obligations through the members that have the right to represent it.

On the absence of other provisions in the contract, the representation belongs to each administrator member and is extended for all the documents that are included in the object of the partnership. The changes and the distinguishment of the rights of representation are regulated by the provisions on mandate.

Article 1089

The creditors of the partnership can demand their rights on the property of the partnership. Also there are responsible for the loss of the partnership, personally or solidary the members that have acted in the name and on the account of the partnership, and if there is any other agreement even the other members.

The agreement must be made known to the third parties with appropriate means, in absence of taking such notice, the limitation of the responsibility or the exclusion from the solidary responsibility can not be set against those who have had not notice of it.

Article 1090

The member to whom the payment of the obligation of the partnership is required, can demand even when the partnership is in liquidation, the preliminary execution towards the property of the partnership, showing the things by which the creditor can be best compensated.

Article 1091

He who becomes a member in a partnership registered before, is responsible together with the other members for the obligations of the partnership before he gets the quality of the member.

Article 1092

A separate creditor of the member, until the partnership lasts, can demand his rights on the profits that belong to the debtor, as well as taking conservation measures on the quote that belongs to the latter on the event of the liquidation. If other things of the debtor are insufficient to compensate his credit, the creditor of the member can demand, except this, at any time the liquidation of his debtor's quote.

The quote must be liquidated within three months from the presentation of the demand, except when the dissolution of the partnership is decided.

Article 1093

There is not accepted the compensation between the obligation that a third party has towards the partnership and the credit that he has towards a member.

Article 1094 Dissolution of the Partnership

The partnership is dissolved:

- 1) at the end of the term;
- 2) with the realization of the object of the partnership or for the impossibility of its realization;
- 3) with the free will of the members;
- 4) for other reasons provided for in the contract of partnership.

Article 1095

The contract of partnership is extended silently for an indefinite time, when however the established time limit provided for by the contract has lapsed, the members keep on going with the transactions of the partnership.

Article 1096

After the dissolution of the partnership the administering members keep the power of administration only for urgent matters, until the necessary transactions for the liquidation are undertaken.

Article 1097

If the contract does not provide for the manner of the liquidation of the property and the members do not agree for defining it, the liquidation is done by one or more liquidators, appointed with the agreement of all the partners or in case of disagreement by the court.

The liquidators can be revoked by the will of all the partners and in any case by the court with the reasoned demand of one or some of the members.

Article 1098

The obligations and the responsibilities of the liquidators are regulated according to the rules decided for by the administrators, as long as it is not provided differently by the following provisions or by the contract of partnership.

Article 1099

The administrators should deliver to the liquidators the things and the documents of the partnership and give them the accounts of the administration for the period after the last report.

The liquidators should take delivery of the things and documents of the partnership and draft together with the administrators the inventory from which would result the active and passive situation of the property of the partnership. The inventory should be signed by the administrators and the liquidators.

Article 1100

The liquidators can do the necessary transactions for the liquidation and if the members have not provided otherwise, can even sell as a block the property of the partnership and do agreements or compromises.

They represent the partnership even in the legal process.

Article 1101

The liquidators can not undertake new transactions. On a contrary occasion they are personally and solidary responsible for the work already started.

Article 1102

The liquidators can not divide among the members, even partially, the property of the partnership, until the creditors of the partnership are not paid, or until the necessary amounts to pay them are not taken aside.

If the funds available are insufficient for the payment of the obligations of the partnership, the liquidators can ask the members for the payments for which they still owe on respective quotes and if necessary, the necessary amounts on the limits of respective responsibility and in proportion with each one on the loss. At the same proportion is divided among the members the obligation of the member with the inability to pay.

Article 1103

The members that have contributed with property to be used, have the right to take it back in the conditions in which it is. If the things are lost or damaged for reasons that make liable the administrators, the members have the right to be compensated for the damage from the property of the partnership, except when a claim can be deposited against the administrators.

Article 1104

After the obligations of the partnership are paid, the remaining active is destined for the payment of the contributions' quotes. The possible over plus is divided among the members on proportion with their part on the profit.

The value of the quotes of the contributions that do not have as their object amounts of money, is established according to the evaluation that is made in the contract or, in its absence, according to the value that they had at the moment that they were delivered.

Article 1105

If by agreement is provided that the distribution of the things is done in kind, the provisions on the distribution of things on common ownership apply.

Article 1106 The Resignation of a Member from the Partnership??????????????

Each member can retire from the partnership when that partnership is formed for an indefinite period or for the life of one of the members.

Besides, he can retire on occasions provided for in the contract of partnership or when a right cause exists.

In cases provided for by the first paragraph, the retirement should be communicated to the other members at least three months before.

Article 1107

Except when provided otherwise by the contract of partnership, in case of death of one of the members, the others should liquidate the quote in favor of other heirs, except when they prefer to dissolve the partnership or the heirs to continue separately, and these give their assent.

Article 1108

The expulsion of a member can occur because of an important non fulfillment of the obligations that derive from the law or from the contract of the partnership, as well as for his detention, incapacity or his conviction with a measure that includes the detention, even if temporary from official duties.

The member that has given as a contribution for the partnership his work or the enjoyment of a thing, can be expelled as well for the immediate unsuitability of doing the work given or for the loss of the thing, that has happened for reasons not attributable to the administrators.

Also can be expelled the member that has contributed through the transfer of the property of a thing, if this losses before the thing is acquired by the partnership.

Article 1109

The expulsion is decided by the majority of the members, without including in their number the member that has to be expelled and it has effect 30 days from the date when the notice is given to the expelled member.

Within this term the expelled member can bring a counterclaim to the court, which can suspend the execution of the decision.

If the partnership is compound by two members, the expulsion of one is made by the court on the request of the other.

Article 1110

Are expelled from the partnership:

- a) the member that has been declared bankrupt;
- b) the member towards whom a certain creditor of his has succeeded in having the right of the liquidation of the quote according to article 1092 of this Code.

The expulsion provided by the first paragraph of this article is not applied when the bankruptcy of the member is a result of the bankruptcy of the partnership.

Article 1111

In the case when only one member leaves the partnership, he and his heirs have the right only of a certain amount of money that represent the value of the quote. The liquidation of the quote is done according to the property balance of the partnership at the day when this member leaves it.

If there are continuing transactions, the member and his heirs have a part in the profits and losses that have to do with these transactions. Besides what is provided in article 1092, the payment of the quote that belongs to the partner should be done within 6 months from the day that he left.

Article 1112

In the case when from only one member leaves the partnership, he or his heirs are responsible for the obligations of the partnership up to the date when he has left.

The moving away should be made known to the third parties with suitable means, otherwise it can not be claimed against the third parties who not for their fault did not know of it.

CHAPTER XXIII “INSURANCE” General Dispositions

Article 1113

In a contract of insurance, one party (the insurer), if the event contemplated in the contact is verified to exist, must:

a) in the case of property insurance, compensate the other party or a third person, for whose benefit the contract was entered into, for the damage suffered within the limits of the sum that is provided in the contract;

b) in the case of personal insurance, pay the other party or a third person, for whose benefit the contract was entered into, the amount of insurance provided in the contract.

The insured must pay the premium (price of insurance) set in the contract.

The insurer may be a public or private person,

Article 1114

The contract of insurance shall be done in writing, by an affidavit of insurance (insurance policy) that the insurer issues to the insured, otherwise it is invalid.

Article 1115

In the affidavit of insurance there shall especially be shown:

a) the name of the insurer;

b) the name of the person insured, in the case of personal insurance, the property insured and the place where this property is located in the case of property insurance;

c) the event with the verification of which the insurer shall satisfy the obligation that he has [under]taken in the contract;

ç) the beginning and end of the insurance contract (term of the insurance);

d) the time when the liability of the insurer begins;

e) the value of the property in those cases when this is required for a

particular kind of insurance;
c) insurance premiums and the times for payment of them.

When according to law or the contract the insurance proceeds or amounts of insurance are to be paid not just to the insured but also to a third person, for whose benefit the contract was entered into, this condition shall be shown in the affidavit of insurance.

Article 1116

When the affidavit of insurance is lost, the insurer, at the request and at the expense of the insured, shall issue a duplicate of it.

Article 1117

The insured shall notify the insurer, on the occasion of the entering into of the contract, of all circumstances of which he has knowledge and which have fundamental importance for the determination of the nature and measure of the risk.

All circumstances about which the insurer has asked the insured in writing are considered to have fundamental importance.

A contract of insurance entered into without receiving an answer to any of these questions may not be invalid for that reason.

Article 1118

When after the insurance contract is entered into it turns out that the insured knowingly has given inexact information in the application [lit. request] or in documents presented [the word is misspelled, but clearly this word is intended), the insurer within three months from receiving knowledge has the right:

- a) to change the amount of the insurance premium, the amount of insurance or the term of insurance;
- b) to dissolve the insurance contract if the circumstances are such that the insurer would not have entered into the contract if he had known of them. In this case, the insurance premiums up to the time when the breaking of the contract is sought, and in any case the insurance premium to be paid in the first year of the contract, shall not be returned to the insured.

If the event of insurance is verified [to exist) before the term indicated in the above paragraph begins, the insurer is not obligated to pay the amount of insurance.

When the insurance contract is entered into for more than one person or things [sic), it remains valid for the persons or things which the inexact declarations or silence do not refer to.

Article 1119

Giving inexact information in the application or in the documents presented, on the basis of which the insurance contract was entered into, or failure to disclose [lit. leaving in forgetfulness] information when it is verified that they were not done willfully or from gross negligence, does not constitute cause to dissolve the contract, but the insurer may renounce the contract, notifying the insured in writing, within 3 months from receiving knowledge of them.

If the event of insurance is verified [to exist] before the inexactness of information or the failure to disclose is known by the insurer, or before his renunciation of the contract has been declared, the amount required is lowered in proportion to the difference between the sum set in the contract and that which would be applied, if the true condition of facts had been known.

Article 1120

When the insurance contract is entered into in the name and for the account of third persons and they have knowledge of the inexactness of the declaration or the failures to disclose in connection with the risk (the event of insurance), the provisions of article 1118,1119 of this Code are applied in favor of the insurer.

Article 1121

The insurance contract is invalid if it is verified that the insured risk never existed or has ceased to be before the conclusion of the contract.

Article 1122

The insurance contract is dissolved if the insured risk ceases to exist after the conclusion of the contract, but the insurer has the right to the payment of premiums until he has been notified of the cessation of existence of the insured risk or he has been made aware in another manner.

Article 1223

The insured during the time the contract of insurance is in force shall notify the insurer of all changes in circumstances of which he has received notice after the contract of insurance was entered into and that may influence an increase of the risk.

If the insured does not give the above notice, the insurer has the right, from the moment of increase of the risk, to amend the amount of the insurance premium, of the amount of insurance, the term of insurance or to dissolve the contract.

When the insured does not accept the amendment or the dissolution of the contract, he has the right to bring a lawsuit in court.

Article 1124

The insurance contract is effective at 12 midnight on the day the contract is concluded and ends at 12 midnight on the last day of the term of the contract.

When the contract term is more than 10 years, the parties on passage of this time and if they have no agreement to the contrary, have the right to withdraw from the contract, giving six months' prior notice.

The contract may be extended by silence one or several times, but in each case for not more than two years.

This provision is not applicable for a contract of life insurance.

Article 1125

The contracting party shall pay the insurance premium to the insurer in the time periods specified in the contract. If the premium or first installment of it is not paid on time, the insurance is suspended until 12 midnight on the day when the contracting party pays the sum required.

When the contracting party continues not to pay the premiums, according to the set times, the insurance is suspended from 12 midnight of the fifteenth day after the end of the term for payment and the insurer has the right to seek dissolution of the contract.

Article 1126

When the event of insurance is verified [to exist], the insured must notify the insurer with the time period specified in the contract. If the insured does not make this notification, the insurer has the right not to pay the compensation of insurance or the amount of insurance.

Article 1127

The insured or third person for whose benefit the insurance contract was entered into, must prove that the event of insurance has happened, and, in (the case of) property insurance also prove the amount of the damage, as well as notifying the insurer, at his request, of all information in his knowledge and that has to do with the insured event. In the case of personal insurance, when the loss of ability to work is verified (to exist), medical expertise shall also be done.

When the above duties are not fulfilled, the insurer has the right not to pay the compensation of insurance or the amount of insurance.

Article 1128

The compensation or amount of insurance that is to be paid not to the insured but to a third person for whose benefit the contract was entered into, may not be sequestered for the debts of the insured.

The insurer has the right to keep from the compensation or amount of insurance that/which the insured has to take from the same insurance contract (premium etc.).

Article 1129

The insurer may raise against a person for whose benefit the contract was entered into all the reservations that he could raise against the insured from the same contract of insurance.

Article 1130

When a person enters into an insurance contract in the name of a third person, without being given such a right by him, the latter may accept the contract entered into even after verification of the insured event.

The person who has entered into the contract must himself implement the obligations that flow from the contract, until the moment when the insured has received notification of the acceptance of it or not, from the person in the name of whom the contract was entered into.

The price of the insurance is paid to the insurer by the above contracting party for the entire period up to the moment when the insurer has received notice of the non acceptance of the contract.

Article 1131

The insurer is not liable when the death or loss of capacity for work of the insured, as well as the loss of or damage to property, was caused directly by acts of war, except when it is otherwise specified in the contract of insurance.

Article 1132

The conditions for the various kinds of voluntary insurance of property and the person shall be set in the contract.

Article 1133

The provisions of this chapter do not extend to obligatory insurance, which is regulated by separate provisions.

Maritime insurance is regulated by the Maritime Code [Code of Travel by Sea].

Article 1144 Property insurance

A person who enters into a contract of property insurance or a third person for whose benefit the contract is entered into, must have a property interest in the insured object otherwise the insurance contract is invalid.

Article 1135

When after the insurance contract is entered into the property interest of the insured or of the third person for whose benefit the contract was entered into ceases, it is considered dissolved.

Article 1136

The amount of insurance may not be more than the value of the property. This value, for several kinds of insurance, may be set in the insurance contract and with a valuation of the property.

By the value is to be understood the greatest value that the property had at the time of verification of the chance happening.

In insurance of the products of land, the damage is set in relation to the value that the products would have had at the time of their ripeness, or when they are normally collected.

When only a part of the value of the property is insured, the amount of insurance may not be larger than the value of the part of the property insured.

When the above conditions are violated, the insurance contract is valid, as the case may be, for a sum equal to the value or the part of the value of the property insured.

Article 1137

When the property insured is lost or damaged, as the case may be, its value is compensated within the limits of the amount of insurance or the decrease in the, value of the property, except when it is provided otherwise in the insurance contract.

The insurer is responsible for lost profit, only if it is expressly provided in the contract.

Article 1138

When the property insured has-been lost in part or is damaged and for this an amount was paid that is not the full amount of the insurance; the property that has remained is considered insured until the end of the term set in the contract for an amount equal to the difference between the amount of the insurance and the compensation that has been paid.

Article 1139

When the amount of insurance is less than the value of the property insured, the compensation for the damage is set in proportion with the ratio between the amount of insurance and the value of the property insured, except when otherwise specified in the contract.

Article 1140

The insured must take care of the insured property, according to the provisions against fire, agronomic and veterinary provisions. The insurer has the right to check the insured property and to request the insured to take measures to protect the property well and get rid of irregularities that are observed. When the insured violates the above obligation, the insurer has the right to dissolve the insurance contract.

Article 1141

When the insured event is verified [to exist), the insured must take all measures that depend on him to save and keep the insured property with the aim of avoiding or lessening the damage.

The insurer is not obligated to pay compensation for that part of the damage which was caused by the failure of the insured to take measures that could have been taken by him to save and keep the insured property.

The insurer is obligated to pay compensation for necessary measures that were taken to save and keep the insured property, regardless whether the purpose was achieved or not, except when the insurer proves that the means used and expenses incurred, were used or done carelessly. The insurer is responsible for material damage caused to the things insured by the means used by the insured to avoid or lessen the damages that occurred upon the insured event, except when he proves that such means were used carelessly and without being necessary.

Article 1142

An insurer who has paid the insurance compensation has the right to seek the return of the sum paid from persons who are responsible for causing the damage.

Article 1143

The insurer is discharged from the obligation to pay compensation of insurance, if the insured event is caused willfully or by gross negligence of the insured or the person for whose benefit the contract of insurance was entered into.

In insuring the property of persons, the insurer is also discharged from the obligation to pay compensation of insurance when the insured event is caused willfully or by gross negligence of grown members of the family of the insured.

Article 1144

When the property that is insured passes into the ownership of another person, the contract of insurance is considered dissolved. In this case the premium paid is returned to the insured in proportion with the time that remains until the end of the term of the insurance contract.

Article 1145

When for the same insured risk several insurance contracts are entered into separately with various insurers, the insured shall notify each insurer, for all the insurance.

When the insured purposely does not give the above notice, the insurers are not obligated to pay compensation for damage.

When the insured event is verified [to exist], the insured shall notify all insurers, giving each the name of the other insurers.

The insured has the right to seek from each insurer the satisfaction of the damage [he is] obligated [for) according to the contract, but the sums paid all together shall not exceed the amount of the damage.

Article 1146

The insurer who has paid the amount of the damage has the right to look to the other insurers for a sharing of the amount required according to the respective contracts.

When an insurer is insolvent, his part is divided among the other insurers.

Article 1147

Insurance of goods against risks of transportation by land, internal waterways and air includes all damage that the goods may suffer during their transportation, except when specified otherwise by law.

Article 1148

The insurance contract for goods against transportation risks is effective from the moment that the goods are delivered to the transporter and continues until they are handed over to the recipient, except when specified otherwise in the contract.

Article 1149

When the goods transported are taken over by the recipient without a written record being kept on this occasion, the insurer is not responsible for damage or shortage [lit. absence) of the goods, except when otherwise specified by law.

PERSONAL INSURANCE

Article 1150

A contract of personal insurance may be entered into for the occasion of the verification of events that have to do with the life and ability to work of the insured.

Article 1151

In a personal insurance contract the amount of insurance is set by agreement of the parties and according to the other provisions about insurance.

Article 1152

A contract of insurance is valid even when the life of a third party is insured. The designation of the person is done in the contract of insurance, or with a later written declaration, which is made known to the insurer, or by will.

Article 1153

The insured may designate in the insurance contract that, in case he dies, the amount of insurance shall be paid to a member of his family, another person, the state, or another juridical public person.

Article 1154

During the time the insurance contract is in force, the insured has the right to substitute another person whom he has designated to receive the amount of the insurance. For this the insured shall give written notice to the insurer and present an affidavit of insurance for the necessary annotations to be made.

Article 1155

The designation of the beneficiary [lit. person who benefits from the insurance] may be revoked by the contracting party in the form and manner that was used to designate him.

The revocation may not be done by the heirs after the death of the contacting party, after the insured event has been verified and the person has declared that he desires this benefit.

The renunciation of the contracting party and declaration of the beneficiary (lit. profiting one) must be made known in writing to the insurer.

Article 1156

The designation of the beneficiary, although it may be irrevocable. does not have effect when a case contemplated in letter "a" of article 771 of this Code exists.

Article 1157

When in the affidavit of insurance the beneficiary [lit. person who may take the amount of insurance] is not indicated, as well as when the person shown has died before the insured, without another person being substituted, or when he has willfully killed the insured or tried to kill him, the amount of insurance is paid to the insured, and if he has died, to his legal heirs or by will.

Article 1158

When more persons are designated to receive the amount of insurance and several of them have died before the insured, or several of them have willfully killed or tried to kill the insured, the parts that belong to them are divided among the other persons designated to receive sums of insurance in proportion to the part that has been assigned to each of them.

If the parts of the persons designated in the contract to receive the amount of insurance are not mentioned, it is presumed that they are equal.

Article 1159

Changes in the profession or activity of the insured when they entail the cessation of the effects of insurance, if they do not increase the risk in such a manner that, if this new state had existed at the time the contract was entered into the insurer would not have entered into it. [Note: the word "when" (kur) in line one is probably a misprint for "do not" (nuk) which would make sense ("changes... do not entail the cessation... ") and would result in a complete sentence, this is just a fragment).

If the changes are of such a nature that even if the new situation had existed at the time the contract was entered into, the insurer would have entered into the contract for a higher price, the payment of the amount of insurance is lessened in proportion with the lower price. set in the ratio that that price has to the one set initially.

If the insured notifies the insurer of the above changes, he, within 15 days shall declare whether he will dissolve the contract or decrease the amount of insurance or increase the price.

Within 15 days the insured shall declare whether he accepts the above changes in the contract.

If the insured declares that he does not accept then, the contract is dissolved.

Article 1160

The amount of insurance that after the death of the insured is set to be paid to the beneficiary [lit. person for whose benefit the contract of insurance was entered into], is not included in the estate [lit. inheritable property] of the insured.

Article 1161

The amounts of insurance that result from insurance contracts of a person are paid regardless of the sums that may be paid by social security.

TITLE III TRANSITIONAL AND FINAL PROVISIONS

Article 1162

The Civil Code of the Republic of Albania is applicable for juridical relations created before its effective date.

Article 1163

For the prescription of a lawsuit and a positive prescription, which have begun to run before the effective date of this Code, but which have not been fulfilled according to the prior provisions, the latter shall be implemented.

Article 1164

The provisions of this Code connected with possession are also applicable for possessions that have begun prior to its affective date.

Article 1165

The juridical regulation of the term and price of a residential lease shall continue to be done according to the prior provisions, until the full liberalization of this contract by separate provisions.

Article 1166

Particular contracts entered into before its effective date and which continue to be implemented shall be regulated according to the provisions of this Code.

Article 1167

Law no. 6340 dated June 26, 1981 "On the Civil Code," except for the provisions about joint ownership between spouses, law no. 2362 dated November 16, 1956 "On social organizations that do not follow economic aims," law no. 7688 dated March 13, 1993 "On joint ownership in residences," law no. 7695 dated April 7, 1993 "On foundations" articles 1-15, decree no. 600 dated July 22, 1993 "On pledges and mortgages," approved with changes by law no. 7753 dated September 30, 1993, are repealed.

Article 1168

The Civil Code of the Republic of Albania is effective on November 1, 1994.