

LOUISIANA

§1121.101. Short title

This Part shall be known as the "Louisiana Condominium Act".

§1121.102. Applicability

A. This Part shall apply only to property made subject to it by a condominium declaration duly executed and filed for registry.

B. The provisions of this Part shall be applicable from, and after the effective date of this Part, to existing condominium property regimes created pursuant to the provisions of Act No. 502 of 1974 or Act No. 494 of 1962. This Part shall not affect or impair any right that is guaranteed or protected by the constitutions of this state or the United States nor shall this Part be construed to impair or affect any act done or offense committed or right accruing, accrued or acquired, or liability, penalty, forfeiture or punishment incurred, under Act No. 502 of 1974 or Act No. 494 of 1962. This Part shall not be construed to impair or cast a cloud upon the titles to units of any condominium property regime formed prior to the effective date of this Part, notwithstanding any conflicts which may exist between this Part, Act No. 502 of 1974, or Act No. 494 of 1962.

1121.103. Definitions

As used in this Part:

- (1) "Condominium" is the property regime under which portions of immovable property are subject to individual ownership and the remainder thereof is owned in indivision by such unit owners.
- (2) "Condominium property" means all interests in land, improvements thereon, and all servitudes and rights attaching to the condominium.
- (3) "Unit" means a part of the condominium property subject to individual ownership. A unit may include air space only. A unit includes such accessory rights and obligations as are stipulated in the condominium declaration.
- (4) "Unit designation" means the number, letter, or combination thereof or any other official designation identifying a particular unit in the condominium declaration.
- (5) "Common elements" means the portion of the condominium property not a part of the individual units.
- (6) "Limited common elements" means those common elements reserved in the condominium declaration for the exclusive use of a certain unit or certain units.
- (7) "Condominium parcel" means a unit together with the undivided interest in the common elements which is an inseparable component part of the unit.
- (8) "Association of unit owners" or "association" means a corporation, or unincorporated association, owned by or composed of the unit owners and through which the unit owners manage and regulate the condominium.
- (9) "Common expenses" means:
 - (a) Expenses of administration, maintenance, repair, and replacement of the common elements.
 - (b) Expenses declared to be common expenses by provisions of this Part or by the condominium declaration or bylaws.
 - (c) Expenses agreed upon as common expenses by the unit owners.
- (10) "Condominium declaration" or "declaration" means the instrument by which immovable property is made subject to this Part.
- (11) "Declarant" means:
 - (a) If the condominium has not yet been created, any person who offers to dispose of or disposes of his interest in a unit not previously disposed of; or
 - (b) If the condominium has been created, any person who has executed a declaration, or an amendment to a declaration to add additional property to the condominium regime, other than persons holding interests in the

property solely as security for a debt or persons whose interest in the property will not be conveyed to unit owners.

(12) "Leasehold condominium" means a condominium in which all or a portion of the condominium property is subject to a lease the expiration or termination of which will terminate the condominium or reduce its size.

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§1121.105. Separate taxation

All kinds of taxes and special assessments authorized by law shall be assessed against each individual condominium parcel. A multi-unit building, the condominium property as a whole, and any of the common elements shall not be deemed to be an individual parcel for tax purposes. Each unit shall be deemed to contain its percentage of undivided interest in the common elements and computation of taxes and special assessments against the unit shall include the percentage of undivided interest. The taxes and special assessments levied against a condominium parcel shall constitute a basis for claiming a lien only upon the individual condominium parcel assessed. There shall be no forfeiture or sale of a multi-unit building or the common elements as a whole for delinquent taxes or assessments on individual units.

§1121.106. Applicability of ordinances, zoning, and building restrictions

A zoning, subdivision, building code, or other land use law, ordinance, or regulation may not prohibit the condominium form of ownership or impose any requirement upon condominium property which it would not impose upon a physically identical development under a different form of ownership. Otherwise, no provision of this Part invalidates or modifies any provision of any zoning, subdivision, building code, or other land use law, ordinance, or regulation.

§1121.107. Expropriation

A. If a unit is acquired by eminent domain, unless the order of taking otherwise provides, that unit's entire common element interest, votes in the association, and proportionate liability for common expense assessments are deemed to be reallocated to the remaining units in proportion to the respective common element interests, voting power, and common expense liabilities of those units prior to the taking, and the association shall promptly prepare, execute, and record an amendment to the declaration reflecting the reallocation.

B. If a portion, but less than all of a unit is acquired by expropriation, and the remaining portion of the unit may be practically or lawfully used for those purposes permitted under the declaration, such unit's ownership in the common elements, votes in the association, and proportionate liability for common expenses shall be reduced in proportion to the reduction in the size of the unit, or on any other basis specified in the declaration, and the portion of the ownership interest in the common elements, voting power, and liability for common expense assessments divested from the partially acquired unit shall be deemed to be reallocated to that unit and the remaining units in proportion to the respective common element ownership interest, voting power, and liability for common expenses of those units prior to the taking, with the partially acquired unit participating in the reallocation on the basis of its reduced size.

C. If a portion of the common elements is acquired by expropriation, the award shall be paid to the association. The association shall divide any portion of the award not used for restoration or repair of the remaining common elements among the unit owners in proportion to their respective ownership interest in the common elements before the taking; any portion of the award attributable to the acquisition of a limited common element shall be equally divided among the owners of the unit to which that limited common element appertains, or in such other manner as the declaration may provide.

§1122.101. Creation of condominium regimes; condominium declaration; recordation

A condominium regime is established by the execution of a condominium declaration by the owner of the immovable property to be conveyed and by every lessor of a lease the expiration and termination of which will terminate the condominium or reduce its size. The condominium declaration and any instrument by which the condominium regime is altered or terminated shall be effective against third parties when filed for registry in the conveyance records in the parish in which the immovable property is located.

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§1122.103. Construction and validity of declaration and bylaws

- A. All provisions of the declaration and bylaws are severable.
- B. The effectiveness of the condominium declaration and merchantability of title to a condominium parcel is not affected by reason of an insubstantial failure of the declaration to comply with this Part.

§1122.104. Description of units

After the declaration is properly filed for registry, a description of a unit which sets forth the name of the condominium, the place of recordation of the declaration, the parish in which the condominium is located, and the identifying number of the unit, is a sufficient legal description of that unit and its common element interest even if the common element interest is not described or referred to therein.

§1122.105. Contents of the condominium declaration

- A. The condominium declaration shall contain or provide for the following matters:
 - (1) A statement submitting the immovable property to a condominium regime.
 - (2) The name by which the condominium is to be identified, which name shall include the word "condominium" or be followed by the words "a condominium".
 - (3) A legal description of the land.
 - (4) An identification of each unit by letter, name or number, or combination thereof, so that no unit bears the same designation as any other unit.
 - (5) A written description delineating the precise boundaries of each unit and any limited common element appurtenant thereto.
 - (6) The undivided shares, stated as percentages or fractions, in the common elements which are a component part of each of the units.
 - (7) The proportions or percentages and the manner of sharing common expenses and owning common surplus.
 - (8) The proportionate voting rights of the unit owners in the association.
 - (9) The method of amendment of the condominium declaration.
 - (10) A plat of survey of the land and plans of the proposed or existing improvements complying with Section 1122.110.
 - (11) All matters required by Section 1122.106 in the event the declarant or an individual unit owner intends to reserve the right to change with respect to a unit or units, its percentage interest in the common elements, percentage of sharing of common surplus and common expense, and proportion of voting power in the association of unit owners.
 - (12) The reconstruction or repair of all or part of the condominium property after casualty and the disposition of the proceeds of casualty insurance required by Section 1123.112 among owners of destroyed or damaged units or to the owners of any common elements destroyed.
 - (13) The name of the association and the type of legal entity under which it is organized; if the association is not incorporated, the name and residence address of the person designated as agent to receive service of process upon the association, which agent must be a resident of the state of Louisiana; and

(14) The procedure for collecting from the unit owners their respective shares of the common expenses assessed.

B. The condominium declaration may contain other provisions not inconsistent with this Section such as:

- (1) Those relating to the withdrawal of damaged or destroyed units from the condominium regime.
- (2) The reallocation of the percentage interest in the common elements of the units so withdrawn to the unit owners remaining within the condominium regime, and the basis of the reallocation, and the release of any unit or units so withdrawn from their respective obligations for payment of their percentage share of the common expenses of the condominium property.
- (3) The purpose or purposes for which the condominium property and units are intended.
- (4) Procedures whereby a unit owner may convey his unit to the association and thereby release himself from any further obligation for the common expenses of the condominium.
- (5) Designation of limited common elements.
- (6) Responsibility for the maintenance and repair of units.
- (7) Use restrictions, and
- (8) Limitations upon conveyance, sale, leasing, ownership, and occupancy of units.

C. Whenever additional immovable property is subjected to the condominium regime, an amendment to the condominium declaration shall be executed in accordance with Subsections A and B of this Section and filed for registry in the conveyance records in the parish in which the condominium is located.

§1122.106. Reapportionment among unit owners of the percentage ownership interest in the common elements; percentages of sharing common expenses and common surplus; voting power in the association of unit owners

If on the date a condominium regime is created, it is the intention of the declarant to add additional units, common elements, or both, to the condominium regime, the declarant shall have the power to change, with respect to individual units in the condominium property, their respective percentage interest in the common elements, their percentage sharing of the common surplus and common expenses and their respective voting rights in the association of unit owners and to reallocate part of said interest to units actually dedicated at a future date upon providing the following particulars in the condominium declaration:

- (1) A statement that the respective percentage interest of an individual unit in the common elements, common surplus and common expenses, and the proportionate voting rights of an individual unit in the association, may be changed in the event the declarant actually dedicates additional units, common elements, or both, to the condominium regime.
- (2) A formula indicating the method or manner of determining a particular unit's percentage interest in the common elements, percentage sharing of surplus and common expenses and proportion of voting power in the association, dependent upon the total number of units comprising the entire condominium regime.
- (3) The maximum time period, not to exceed a period of seven years subsequent to the date of filing the condominium declaration, during which additional units or common elements or both may be dedicated to the condominium regime.
- (4) A description of each parcel of additional immovable property which may be later included in the condominium regime.
- (5) If parcels of immovable property may be added to the condominium regime at different times, a statement to that effect, together with (i) either a statement fixing the boundaries of the parcels and regulating the order in which they may be added to the condominium regime or a statement that no assurances are made in those regards, and (ii) a statement as to whether, if any portion of additional immovable property is added to the condominium regime, all or any particular portion of that or any other immovable property must be so added.
- (6) A statement of:

- (a) The maximum number of condominium units that may be created within any parcel of additional immovable property to be added to the condominium regime, the boundaries of which are fixed pursuant to Paragraph (5).
- (b) An indication of those units restricted to residential use.
- (c) The maximum number of units per acre that may be created within any such parcels, the boundaries of which are not fixed pursuant to Paragraph (5).
- (7) A statement of the extent to which any improvements that may be erected upon each parcel of the additional immovable property which may be added to the condominium regime will be compatible with the existing improvements in the condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size, or a statement that no assurances are made in those regards.
- (8) A statement that all covenants in the condominium declaration affecting use, occupancy, and alienation of units will apply to units created within additional parcels of immovable property which may be later added to the condominium regime, or a statement of any differentiations which may be made as to those units.
- (9) Any additional common elements that may be included within the condominium in the event additional units are included within the condominium at a later date and specifically indicating what common elements will be added if less than the maximum number of units are later included within the condominium regime, and
- (10) A statement of any limitations as to the locations of improvements that may be made within parcels of immovable property to be added to the condominium regime, or a statement that no assurances are made in that regard.

§1122.107. Condominiums established on leased land

A. With respect to any lease, the expiration or termination of which may terminate the condominium, or reduce its size, the condominium declaration shall state:

- (1) The place of recordation of such lease or statement where the complete lease may be inspected.
- (2) The date on which the lease is scheduled to expire.
- (3) A legal description of the immovable property subject to the lease.
- (4) Any rights of a unit owner or owners upon termination of the lease and the manner whereby those rights may be exercised or a statement that they do not have such rights.
- (5) Any right of the unit owners to renew such lease including the conditions of any renewal or statement that they do not have such rights.

B. If the expiration or termination of a lease decreases the number of units in a condominium, then the ownership interest in the common elements, voting rights in the association, and obligation for payment of common expense appurtenant to such units shall be equitably reallocated among the remaining units. Such reallocation shall be effected by an amendment to the condominium declaration duly filed for registry.

§1122.108. Allocation of common element interest, votes, and common expense liabilities

A. The declaration may provide that different allocations of votes shall be made to the units on particular matters specified in the declaration.

B. Except as provided in Section 1121.107, Section 1122.112, Section 1122.114, or Section 1122.115 or in the event a portion of the condominium property is removed from the provisions of this Part following a casualty loss or expropriation, the percentage of undivided interest of such unit owner in the common elements of the condominium as expressed in the condominium declaration shall be an inseparable component of the ownership of the unit and shall not be altered without the consent of all the unit owners expressed in an amended condominium declaration duly filed for registry.

C. The common elements shall remain undivided and shall not be subject to partition, except with respect to that part or all of the condominium property that has been withdrawn from the provisions of this Part.

§1122.110. Plats and plans

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A. Each plat shall show:

- (1) The name, general location, and horizontal dimensions of the immovable property.
- (2) The location and horizontal dimensions of all existing improvements.
- (3) The location and dimensions of any immovable property which the declarant has the option to later include within the condominium regime.
- (4) The intended location and dimensions of any contemplated improvements to be constructed within the immovable property which may later be added to the condominium regime.
- (5) The location and dimensions of all servitudes serving or burdening any portion of the immovable property.
- (6) The location and dimensions of any immovable property in which the unit owners will own only an interest as lessee, labeled as "immovable property subject to lease".
- (7) The distance between noncontiguous parcels of immovable property comprising the condominiums, and
- (8) All other matters customarily shown on land surveys.

B. Plans of every building improvement that contain or comprise all or part of any unit and is located within any portion of the immovable property of the condominium regime other than within the boundaries of any additional immovable property which the declarant has reserved the right to add to the condominium regime at a later date, shall show:

- (1) The location and dimensions of the horizontal and vertical boundaries of each unit, with reference to established datum, and that unit's identifying number; and
- (2) Any units that may be converted by the declarant to create additional units or common elements, identified appropriately.

C. If additional immovable properties are later included within a condominium regime, the declarant shall record new plats for such immovable property conforming to the requirements of Subsection A and new plans for any buildings on that immovable property conforming to the requirements of Subsection B.

D. If the declarant converts any units into two or more units, common elements, or both, new plans shall be recorded as an amendment to the declaration showing the location of any new units and common elements thus created as well as the location and dimensions of any portions of that space not being converted.

E. Any certification of a plat or plan required by this Section shall be made by a surveyor, architect, or engineer licensed as such in the state of Louisiana.

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§1122.112. Termination; withdrawal

A. The condominium property or a portion thereof may be withdrawn from the provisions of this Part by the consent of all or a percentage of the unit owners and unit mortgage creditors as provided in the condominium declaration.

B. To withdraw immovable property from a condominium regime, the association shall prepare, execute, and record an amendment to the condominium declaration containing a legally sufficient description of the immovable property being withdrawn and stating the fact of withdrawal. If only a portion of the condominium property is being withdrawn, the amendment shall reallocate the percentages of common element ownership, voting power in the association, and liability for common expenses to any units remaining in the condominium in proportion to the said respective percentages of those units.

C. Upon withdrawal of the condominium property or a portion thereof from the provisions of this Part, the portion so withdrawn shall be deemed to be owned in indivision by the unit owners in the withdrawn premises.

The percentage of undivided ownership of a unit owner in the withdrawn property shall be equal to his former

percentage of ownership in the common elements divided by the total former percentages of ownership in such common elements of all withdrawing unit owners. Privileges and mortgages upon individual condominium parcels shall, following their withdrawal, be upon the respective undivided shares of the withdrawing owners in the property withdrawn.

D. Condominium property withdrawn from the provisions of this Part shall be subject to partition by action of a unit owner owning a portion of the withdrawn property. The proceeds from any sale of the withdrawn property shall be paid to a unit owner after all claims secured by privileges and mortgages on his share of the withdrawn property have been satisfied.

§1122.113. Alterations of units

Subject to the provisions of the condominium declaration and other provisions of law, a unit owner:

- (1) May make any improvements or alterations to his unit that does not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium.
- (2) May not change the appearance of the common elements, or the exterior appearance of a unit or any portion of the condominium, without permission of the association, and
- (3) After acquiring an adjoining unit or an adjoining part of an adjoining unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a common element, provided those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium.

§1122.114. Relocation of boundaries between adjoining units

A. Subject to the provisions of the condominium declaration and other provisions of law, the boundaries between adjoining units may be reallocated by an amendment to the condominium declaration upon written request to the association by the owners of the adjoining units. Such an amendment shall specify the method of reallocation between the adjoining units of their respective percentage interest in the common elements, voting power in the association, and percentage obligations for common expense assessments. Such an amendment shall identify the units involved, shall be executed by the reallocating unit owners, and shall contain words of conveyance between them.

B. The association, upon the request and at the expense of the reallocating unit owners, shall prepare and record plats or plans showing the altered boundaries, their dimensions, and identifying numbers.

§1122.115. Subdivision or conversion of units

A. If the condominium declaration expressly so permits, a unit may be subdivided or converted into two or more units, common elements, or combination of one or more units and common elements. Subject to the provisions of the condominium declaration and other provisions of law, upon written request of a unit owner to subdivide a unit, the condominium association shall prepare, execute and record an amendment to the condominium declaration, including the plats and plans, subdividing that unit.

B. An amendment to the condominium declaration must assign an identifying number to each unit created, and reallocate the common elements interests, votes in the association, and common expense assessment liabilities formerly allocated to the subdivided unit to the new units in any reasonable manner prescribed by the owner of the subdivided unit.

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§1122.119. Amendment of declaration

Except in cases of amendments that may be executed by declarant under Sections 1122.110C or 1122.110D, or by the Association under Sections 1121.107, 1122.107B or 1122.114A or 1122.115, the declaration, including the plats and plans, may be amended only by vote or agreement of unit owners of units to which at least sixty-seven percent of the votes of the association are allocated or any other percent of votes which the condominium declaration specifies.

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SUBPART C. MANAGEMENT OF THE CONDOMINIUM

§1123.101. Organization of unit owners' association

A unit owners' association shall be organized no later than the date the condominium is created. The membership of the association at all times shall consist exclusively of all the unit owners or, following termination of the condominium, of all former unit owners entitled to distributions of proceeds under Section 1122.112, or their heirs, successors, or assigns. The association shall be organized as a profit or nonprofit corporation, or as an unincorporated association.

§1123.102. Powers of unit owners' association

Subject to the provisions of the declaration, the association, even if unincorporated, may:

- (1) Adopt and amend bylaws and rules and regulations.
- (2) Adopt and amend budgets for revenues, expenditures, and reserves and make and collect assessments for common expenses from unit owners.
- (3) Hire and terminate managing agents and other employees, agents, and independent contractors.
- (4) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium.
- (5) Make contracts and incur liabilities.
- (6) Regulate the use, maintenance, repair, replacement, and modification of common elements.
- (7) Cause additional improvements to be made as a part of the common elements.
- (8) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property.
- (9) Grant easements, leases, licenses, and concessions, through or over the common elements.
- (10) Impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements.
- (11) Impose charges for later payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association and, when the violation is a failure to pay for services, interrupt those services until the violation has ceased.
- (12) Impose reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates required by Section 1124.107, or statements of unpaid assessments.
- (13) Provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance.
- (14) Exercise any other powers conferred by the declaration or bylaws.
- (15) Exercise all other powers that may be exercised in this state by legal entities of the same type as the association, and
- (16) Exercise any other powers necessary and proper for the governance and operation of the association.

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§1123.105. Termination of contracts and leases of declarant

A contract for the maintenance, management, or operation of the condominium property or any lease of recreational or parking facilities entered into by the association while the association is controlled by the developer of the condominium shall be subject to cancellation by the association by vote of not less than a majority of the individual unit owners other than the declarant computed with reference to their respective percentage obligations for common expenses within a one year period immediately following the date on which individual unit owners other than the declarant assume or acquire control of the association.

§1123.106. Bylaws

- A. The administration and operation of the condominium shall be governed by the bylaws.
- B. The bylaws shall provide for the form and manner of administration of the condominium.
- C. The bylaws may include other provisions deemed necessary or desirable for the administration of the condominium property consistent with this Part, including but not limited to the following:
 - (1) The method of adopting and amending administrative rules and regulations concerning the details of the operation and use of the condominium property.
 - (2) A procedure for submitting disputes among unit owners arising from the administration of the condominium property to arbitration, and
 - (3) The establishment of reserves to provide for maintenance, improvements, replacements, working capital, bad debts, obsolescence, and other appropriate purposes.

§1123.107. Upkeep of the condominium

Except to the extent provided by the declaration, or Section 1123.112, the association is responsible for maintenance, repair, and replacement of the common elements, and each unit owner is responsible for maintenance, repair and replacement of his unit.

§1123.108. Association records

The association shall keep financial records sufficiently detailed to enable the association to comply with Section 1124.107. All financial and other records shall be made reasonably available for examination by any unit owner and his authorized agents.

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§1123.112. Insurance

- A. Commencing not later than the time of the first conveyance of a unit to a person other than a declarant, the association shall maintain, to the extent reasonably available:
 - (1) Property insurance on the common elements and units, exclusive of improvements and betterments installed in units by unit owners, insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall be not less than eighty percent of the actual cash value of the insured property, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the executive board but not less than any amount specified in the declaration, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

B. If the insurance described in Subsection A is not maintained, the association promptly shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all unit owners. The declaration may require the association to carry any other insurance, and the association in any event may carry any other insurance it deems appropriate to protect the association or the unit owners.

C. Insurance policies carried pursuant to Subsection A must provide that:

(1) Each unit owner is an insured person under the policy with respect to liability arising out of his ownership of an individual interest in the common elements or membership in the association.

(2) The insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of his household.

(3) No act or omission by any unit owner, unless acting within the scope of his authority on behalf of the association, will void the policy or be a condition to recovery under the policy, and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

D. Any loss covered by the property policy under Subsection A(1) shall be adjusted with the association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the association, and not to any mortgagee. The insurance trustee or the association shall hold any insurance proceeds in trust for unit owners and lien holders as their interests may appear. Subject to the provisions of Subsection G, the proceeds shall be disbursed first for the repair or restoration of the damaged common elements and units, and unit owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the common elements and units have been completely repaired or restored, or the condominium is terminated.

E. An insurance policy issued to the association does not prevent a unit owner from obtaining insurance for his own benefit.

F. An insurer that has issued an insurance policy to the association under this Section shall issue certificates or memoranda of insurance, upon request, to any unit owner or mortgagee. The insurance may not be canceled until thirty days after notice of the proposed cancellation has been mailed to the association, each unit owner and each mortgagee to whom certificates of insurance have been issued.

G. Any portion of the condominium damaged or destroyed shall be repaired or replaced promptly by the association unless (1) the condominium is terminated, (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (3) eighty percent, or such other percentage provided in the declaration, of the unit owners vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense. If the entire condominium is not repaired or replaced, (1) the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the condominium, (2) the insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned, and (3) the remainder of the proceeds shall be distributed to all the unit owners in proportion to their common element interest. If the unit owners vote not to rebuild any unit, that unit's entire common element interest, votes in the association, and common expense liability are automatically reallocated upon the vote as if the unit had been condemned under Section 1121.107, and the association promptly shall prepare, execute, and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this Subsection, Section 1122.120 governs the distribution of insurance proceeds if the condominium is terminated.

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§1123.115. Privilege on immovables

A.(1) The association shall have a privilege on a condominium parcel for all unpaid or accelerated sums assessed by the association and interest thereon at the rate provided in the condominium declaration or, in the absence thereof, at the legal interest rate. This privilege shall also secure reasonable attorney fees incurred by the association incident to the collection of the assessment or enforcement of the privilege. Further, if the unit owner fails to timely pay the assessments for common elements for a period of six months or more during any eight-month period and notice to the delinquent unit owner is provided as set forth in Paragraph (3) of this Subsection, the association may accelerate the assessment on the common elements for a twelve-month period and file a privilege for the accelerated sums. Assessments for common elements are those assessments that are collected on a regular basis by the association for routine expenditures associated with the property.

(2) To be preserved, the privilege shall be evidenced by a claim of privilege, signed and verified by affidavit of an officer or agent of the association, and shall be filed for registry in the mortgage records in the parish in which the condominium is located. The claim of privilege shall include a description of the condominium parcel, the name of its record owner, the amount of delinquent or accelerated assessment, and the date on which said assessment became delinquent.

(3) The association shall, at least seven days prior to the filing for registry of the privilege, serve upon the delinquent unit owner a sworn detailed statement of its claim for the delinquent or accelerated assessment that includes the date said assessment became delinquent or accelerated, which service shall be effected by personal service, or registered or certified mail.

B. A claim of privilege recorded, as set forth in Subsection A of this Section, shall preserve the privilege against the condominium parcel for a period of one year from the date of recordation. The effect of recordation shall cease and the privilege preserved by this recordation shall perempt unless a notice of filing of suit, giving the name of the court, the title and number of the proceedings and date of filing, a description of the condominium parcel and the name of the unit owner, on said claim is recorded within one year from the date of the recordation of the inscription of the said claim. Such notice of filing suit shall preserve the privilege until the court in which the suit is filed shall order the cancellation of the inscription of the said claim and the notice of filing of suit on said claim or until the claimant authorizes the clerk of court or recorder of mortgages to cancel the said inscriptions.

C. A privilege under this Section is superior to all other liens and encumbrances on a unit except (1) privileges, mortgages, and encumbrances recorded before the recordation of the declaration, (2) privileges, mortgages, and encumbrances on the unit recorded before the recordation of the privilege as provided in Subsection B of this Section, (3) immovable property taxes, and (4) governmental assessments in which the unit is specifically described.

§1123.116. Privilege for utility assessments

A. In addition to the privilege granted to an association on a condominium parcel for unpaid assessments provided in R.S. 9:1123.115, the association, provided that the association is in good faith regarding the management of the condominium property, shall have a separate privilege on the condominium parcel for that portion of the unpaid assessment which is assessed for the payment of water, sewerage, electrical, or natural gas utilities on behalf of the condominium parcel. This privilege shall be preserved in the same manner as privileges are preserved under R.S. 9:1123.115.

B. Notwithstanding any other provision of law to the contrary, prior to institution of suit by a municipal or parish governing authority or other municipal or parish entity for payment of any tax or fee levied or assessed for providing water, sewerage, electrical, or natural gas services to a condominium property, the authority or entity shall notify the association of its intent to file suit.

C. Upon notification of an intent to file suit for delinquent or past due taxes or fees due, the association shall provide the authority or entity a list of the individual condominium units for which taxes or fees for water, sewerage, electrical, or natural gas services are delinquent or past due. The association shall notify each owner of a condominium unit at the last known address of the owner as reflected in the association records of the fact of institution of suit for payment of past due or delinquent taxes or fees due on the respective unit.

D. If the condominium unit is abandoned property as defined in R.S. 33:4720.12(1), the municipal or parish governing authority may proceed with the sale of the property pursuant to the provisions of Chapter 13-A of Title 33 of the Louisiana Revised Statutes of 1950, relative to the sale of abandoned property.

E.(1) If the condominium unit is determined to be abandoned or blighted housing property as defined in R.S. 33:4720.26(1), the unit may be adjudicated to the municipality or parish for nonpayment of such taxes or assessments.

(2)(a) Abandoned or blighted condominium units which are adjudicated to a municipality or parish may be donated to a nonprofit organization pursuant to R.S. 33:4717.3 or as otherwise provided by law.

(b) In making a donation of abandoned or blighted condominium units the municipality or parish shall offer the association first refusal of the units provided the association forms a nonprofit organization recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4) as a nonprofit organization and agrees to renovate and maintain the property until conveyed by the organization.

§1123.117. Blank

§1124.101. Applicability; waiver

A. This Subpart applies to all units subject to this Part, except as provided in Subsection B.

B. A public offering statement need not be prepared or delivered in the case of:

- (1) A gratuitous transfer of a unit.
- (2) A disposition pursuant to court order.
- (3) A disposition by foreclosure or giving in payment, or
- (4) A transfer to which Section 1124.107 applies.

§1124.102. Public offering statement; general provisions

A. Prior to the initial sale or execution of a contract to purchase a condominium unit, the declarant shall provide a purchaser of a unit with a copy of the public offering statement containing or accurately disclosing:

- (1) A copy of the condominium declaration.
- (2) A copy of articles of incorporation or other documents creating the association.
- (3) A copy of the bylaws of the association.
- (4) A copy of any predial lease or sublease relating to the condominium property.
- (5) A written statement indicating whether the declarant has entered into or intends to enter into a contract for the management of all or a portion of the condominium property. With respect to any such contract, this statement shall specify the services to be rendered, the amount or estimate of the cost to be incurred thereunder and the duration thereof, including any renewal provisions, and any relationship, whether direct or indirect, between the declarant and the person to perform such management services.
- (6) A projected operating budget for the association, for the one year period after the date of the first conveyance of a unit to a purchaser and thereafter the current budget of the association, including full details of the estimated monthly charges for maintenance and management of the condominium, including an indication of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement, monthly charges for the use of any recreational facilities, and of insurance coverage on the condominium, and the estimated premiums therefor.

- (7) A brief narrative description of the significant features of the declaration (other than the plats and plans), the articles of incorporation or other documents creating the association, the bylaws, and rules and regulations.
 - (8) A diagram or other illustration of the floor plan of the unit.
 - (9) A written statement indicating whether any units remaining unsold subsequent to the filing of the condominium declaration will be exempted from the payment of all or a portion of the common expenses normally accruing to said unsold units and, if so, the period of time of the exemption.
 - (10) A statement that within fifteen days of receipt of a public offering statement, a purchaser, before conveyance, may cancel any contract to purchase a unit from the declarant.
 - (11) The terms of any warranties expressly made or limited by the declarant.
 - (12) A statement of any unsatisfied judgments against the association, the status of any pending suits to which the association is a party, and the status of any pending suits or claims material to the condominium of which the declarant has actual knowledge, and
 - (13) A description of the insurance coverage provided for the benefit of unit owners.
- B. A declarant shall promptly amend the public offering statement to report any material change in the information required by this Section.
- C. A cause of action created or recognized under this Section shall in any event prescribe five years after the date of closing of the act transfer.

§1124.103. Blank

§1124.104. Public offering statement; conversion condominiums

- A. The public offering statement of a condominium containing any building that at any time before recording the declaration was occupied wholly or partially by persons other than purchasers and having greater than ten units, must contain, in addition to the information required by Section 1124.102:
- (1) A report prepared by a registered architect or engineer, describing the present condition of all structural components, roof, and mechanical and electrical installations material to the use and enjoyment of the condominium.
 - (2) A statement by the declarant of the estimated remaining useful life of each item reported on in Paragraph (1) or a statement that no representations are made in that regard, and
 - (3) A statement by the declarant of any outstanding notices of incurred violations of building codes or other municipal regulations, together with the estimated costs of curing those violations.
- B. This Section applies only to units that may be occupied for residential use.

§1124.105. Public offering statement; condominium securities

If an interest in a condominium is currently registered with the Securities and Exchange Commission of the United States, a declarant satisfies all requirements of this Part relating to the preparation of a public offering statement if he delivers to the purchaser a copy of the public offering statement filed with the Securities and Exchange Commission.

§1124.106. Purchaser's right to cancel

- A. Unless delivery of a public offering statement is not required a declarant shall provide a purchaser of a unit with a copy of the public offering statement before conveyance of that unit, and not later than the date of any contract of sale. Unless a purchaser is given the public offering statement more than fifteen days before execution of a contract for the purchase of a unit, the purchaser, before conveyance, may cancel the contract within fifteen days after first receiving the public offering statement.
- B. If a purchaser elects to cancel a contract pursuant to Subsection A, he may do so by hand delivering notice thereof to the declarant or by mailing notice thereof by prepaid United States mail to the declarant, or to his

agent for service of process. Cancellation is without penalty, and all payments made by the purchaser before cancellation shall be refunded promptly.

C. Any person who reasonably relies on a materially false, or materially misleading statement in a public offering statement and deposits money or other things of value toward the purchase of a condominium unit shall, in addition to any other rights provided by law, have a cause of action to rescind the contract to purchase or collect damages from the seller prior to the closing of the act of transfer of the unit. After closing of the act to transfer, the purchaser shall have a cause of action against the declarant for damages for one year subsequent to the date upon which the last of the event described in the following paragraph occurs:

- (1) The closing of the act of transfer of the unit; or
- (2) Sufficient completion by the seller of construction of the building containing the unit sold to allow lawful occupancy of the unit and completion of all common elements and all recreational facilities, whether or not common elements, which the seller is obligated to complete or provide under the contract to purchase the unit or which the seller is represented that he will provide in a sales brochure or similar material.

D. A cause of action created or recognized under this Section shall in any event prescribe five years after the date of closing of the act of transfer.

§1124.107. Resales of units

A. In the event of a resale of a unit by a unit owner other than a declarant, the unit owner shall furnish to a purchaser before execution of any contract to purchase a unit, or otherwise before conveyance, a copy of the declaration other than plats and plans, the articles of incorporation or documents creating the association, the bylaws, and a certificate containing:

- (1) A statement setting forth the amount of any current common expense assessments.
- (2) A statement of any capital expenditures approved by the association for the current and two next succeeding fiscal years.
- (3) A statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the association for any specified projects.
- (4) The most recent balance sheet and income and expense statement of the association, if any.
- (5) The current operating budget of the association, if any.
- (6) A statement of any unsatisfied judgments against the association and the status of any pending suits to which the association is a party.
- (7) A statement describing any insurance coverage provided by the association, and
- (8) A statement of the remaining term of any ground lease affecting the condominium and provisions governing any extension or renewal thereof.

B. The association, within ten days after a request by a unit owner, shall furnish a certificate containing the information necessary to enable a unit owner to comply with this Section. The unit owner providing a certificate pursuant to Subsection A is not liable to the purchaser for any erroneous information provided by the association and included in the certificate.

C. A unit owner is not liable to a purchaser for the failure or delay of the association to provide the certificate in a timely manner; however, the contract to purchase is voidable by the purchaser until a certificate has been provided and for five days thereafter or until conveyance, whichever first occurs.

§1124.108. Blank

§1124.109. Privileges

A. Subsequent to the filing for registry of the condominium declaration, and at all times during which the condominium property remains subject to this Part, no privileges of any nature shall arise or be created against the entire condominium property or the common elements as a whole. During this period a privilege may arise

or be created upon or against the individual condominium parcels in the same manner and under the same conditions as a privilege may arise or be created upon or against any other separate parcel of immovable property subject to individual ownership.

B. Labor performed or materials furnished to a unit shall not be the basis for the filing of a claim of privilege pursuant to R.S. 9:4801 through 4820, unless the unit owner expressly requested or consented to the same.

Labor performed or materials furnished to the association shall not be the basis for a privilege on the common elements as a whole; however, if the performance of labor or furnishing of materials is expressly authorized by the association, the labor or materials shall be deemed to be performed or furnished with the express consent of each unit owner and shall be the basis for the filing of a claim of privilege against each condominium parcel in the condominium. A single claim of privilege filed against the association shall be deemed to be a separate claim of privilege against each individual unit, but any such claim of privilege against an individual condominium parcel shall be limited in amount to the total charge for the labor performed and materials furnished multiplied by the percentage obligation of the owner of the condominium parcel for common expenses. Each individual owner may thereafter relieve his condominium parcel from any such privilege by payment of the proportionate amount of the claim of privilege attributable to his parcel. Upon such payment, it shall be the duty of the privilege creditor to release the privilege against such condominium parcel.

C. Service or delivery of notices and papers required under R.S. 9:4801 through 4820, on unit owners for or incident to the protection or enforcement of privileges arising from labor performed or materials furnished to the association, may be effected by service on or delivery to an officer of the association.

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§1124.115. Compliance with condominium declaration, bylaws, and administrative rules and regulations

A. The condominium declaration and bylaws shall have the force of law between the individual unit owners.

The remedies for breach of any obligation imposed on unit owners or the declarant shall be damages, injunctions, or other such remedies as provided by law.

B. The remedies under Subsection A shall be available by ordinary and summary proceedings.

C. For the purposes of this Section, a unit owner shall be considered an occupant of the condominium property and subject to the provisions of Code of Civil Procedure Articles 4701 through 4735 in an action by the association of unit owners.

§1124.116. Blank

§1124.117. Blank