

INDIANA

IC 32-25

ARTICLE 25. CONDOMINIUMS

IC 32-25-1

Chapter 1. Application of Law

IC 32-25-1-1

Application of law

Sec. 1. This article applies to property if:

- (1) the sole owner of the property; or
- (2) all of the owners of the property;

submit the property to this article by executing and recording a declaration under this article.

As added by P.L.2-2002, SEC.10.

IC 32-25-1-2

Persons subject to law

Sec. 2. (a) The following are subject to this article and to declarations and bylaws of associations of co-owners adopted under this article:

- (1) Condominium unit owners.
- (2) Tenants of condominium unit owners.
- (3) Employees of condominium unit owners.
- (4) Employees of tenants of condominium owners.
- (5) Any other persons that in any manner use property or any part of property submitted to this article.

(b) All agreements, decisions, and determinations lawfully made by an association of co-owners in accordance with the voting percentages established in:

- (1) this article;
- (2) the declaration; or
- (3) the bylaws;

are binding on all condominium unit owners.

IC 32-25-2

Chapter 2. Definitions

IC 32-25-2-1

Applicability of definitions

Sec. 1. The definitions in this chapter apply throughout this article.

As added by P.L.2-2002, SEC.10.

IC 32-25-2-2

"Association of co-owners"

Sec. 2. "Association of co-owners" means all the co-owners acting as an entity in accordance with the:

- (1) articles;
- (2) bylaws; and
- (3) declaration.

As added by P.L.2-2002, SEC.10.

IC 32-25-2-3

"Building"

Sec. 3. "Building" means a structure containing:

- (1) at least two (2) condominium units; or
- (2) at least two (2) structures containing at least one (1) condominium unit.

As added by P.L.2-2002, SEC.10.

IC 32-25-2-4

"Common areas and facilities"

Sec. 4. "Common areas and facilities", unless otherwise provided in the declaration or lawful amendments to the declaration, means:

- (1) the land on which the building is located;
- (2) the building:
 - (A) foundations;
 - (B) columns;
 - (C) girders;
 - (D) beams;
 - (E) supports;
 - (F) main walls;
 - (G) roofs;
 - (H) halls;
 - (I) corridors;
 - (J) lobbies;
 - (K) stairs;
 - (L) stairways;
 - (M) fire escapes;
 - (N) entrances; and
 - (O) exits;
- (3) the:
 - (A) basements;
 - (B) yards;
 - (C) gardens;
 - (D) parking areas;
 - (E) storage spaces;
 - (F) swimming pools; and
 - (G) other recreational facilities;
- (4) the premises for the lodging of:
 - (A) janitors; or
 - (B) persons in charge of the property;
- (5) installations of central services, such as:
 - (A) power;
 - (B) light;
 - (C) gas;
 - (D) hot and cold water;
 - (E) heating;
 - (F) refrigeration;
 - (G) air conditioning; and
 - (H) incinerating;
- (6) the:
 - (A) elevators;
 - (B) tanks;
 - (C) pumps;
 - (D) motors;
 - (E) fans;
 - (F) compressors;
 - (G) ducts;
 - (H) apparatus; and
 - (I) installations;existing for common use;
- (7) community and commercial facilities provided for in the declaration; and
- (8) all other parts of the property:
 - (A) necessary or convenient to its:
 - (i) existence;
 - (ii) maintenance; and
 - (iii) safety; or
 - (B) normally in common use.

As added by P.L.2-2002, SEC.10.

IC 32-25-2-5

"Common expenses"

Sec. 5. "Common expenses" means:

- (1) all sums lawfully assessed against the co-owners by the association of co-owners;

- (2) expenses of:
 - (A) administration;
 - (B) maintenance;
 - (C) repair; or
 - (D) replacement;of the common areas and facilities;
- (3) expenses agreed upon as common expenses by the

association of co-owners; and

- (4) expenses declared common expenses by:
 - (A) this article;
 - (B) the declaration; or
 - (C) the bylaws.

As added by P.L.2-2002, SEC.10. Amended by P.L.2-2005, SEC.84.

IC 32-25-2-6

"Common profits"

Sec. 6. "Common profits" means the balance remaining, after the deduction of the common expenses, of all:

- (1) income;
- (2) rents;
- (3) profits; and
- (4) revenues;

from the common areas and facilities.

As added by P.L.2-2002, SEC.10.

IC 32-25-2-7

"Condominium"

Sec. 7. "Condominium" means real estate:

- (1) lawfully subjected to this article by the recordation of condominium instruments; and
- (2) with respect to which the undivided interests in the common areas and facilities are vested in the condominium unit owners.

As added by P.L.2-2002, SEC.10. Amended by P.L.2-2005, SEC.85.

IC 32-25-2-8

"Condominium instruments"

Sec. 8. "Condominium instruments" means:

- (1) the:
 - (A) declaration;
 - (B) bylaws;
 - (C) plats; and
 - (D) floor plans;

of the condominium; and

- (2) any exhibits or schedules to the items listed in subdivision (1).

As added by P.L.2-2002, SEC.10.

IC 32-25-2-9

"Condominium unit"

Sec. 9. "Condominium unit" means:

- (1) an enclosed space:

(A) that consists of one (1) or more rooms occupying all or part of a floor or floors in a structure of one

(1) or more floors or stories, regardless of whether the enclosed space is designed:

- (i) as a residence;
- (ii) as an office;
- (iii) for the operation of any industry or business; or
- (iv) for any other type of independent use; and

(B) that has:

- (i) a direct exit to a public street or highway; or
- (ii) an exit to a thoroughfare or to a given common space leading to a thoroughfare; and

(2) the undivided interest in the common elements appertaining to an enclosed space referred to in

subdivision (1).
As added by P.L.2-2002, SEC.10.

IC 32-25-2-10
"Contractable condominium"

Sec. 10. "Contractable condominium" means a condominium from which one (1) or more portions of the condominium real estate may be withdrawn.
As added by P.L.2-2002, SEC.10.

IC 32-25-2-11
"Co-owner"

Sec. 11. "Co-owner" means a person who owns:
(1) a condominium unit in fee simple; and
(2) an undivided interest in the common areas and facilities;
in the percentage established in the declaration.
As added by P.L.2-2002, SEC.10.

IC 32-25-2-12
"Declarant"

Sec. 12. "Declarant" means any person who:
(1) executes or proposes to execute a declaration; or
(2) executes an amendment to a declaration to expand an expandable condominium.
As added by P.L.2-2002, SEC.10.

IC 32-25-2-13
"Declaration"

Sec. 13. "Declaration" means the instrument by which the property is submitted to this article. The term refers to a declaration as it may be lawfully amended from time to time.
As added by P.L.2-2002, SEC.10.

IC 32-25-2-14
"Expandable condominium"

Sec. 14. "Expandable condominium" means a condominium to which real estate may be added.
As added by P.L.2-2002, SEC.10.

IC 32-25-2-15
"Limited common areas and facilities"

Sec. 15. "Limited common areas and facilities" means the common areas and facilities designated in the declaration as reserved

for use of:

- (1) a certain condominium unit; or
- (2) certain condominium units;

to the exclusion of the other condominium units.

As added by P.L.2-2002, SEC.10.

IC 32-25-2-16
"Majority" or "majority of co-owners"

Sec. 16. "Majority" or "majority of co-owners" means the co-owners with at least fifty-one percent (51%) of the votes, in accordance with the percentages assigned in the declaration to the condominium units for voting purposes.
As added by P.L.2-2002, SEC.10.

IC 32-25-2-17
"Person"

Sec. 17. "Person" means:
(1) an individual;
(2) a firm;
(3) a corporation;

- (4) a partnership;
- (5) an association;
- (6) a trust;
- (7) any other legal entity; or
- (8) any combination of the entities listed in subdivisions (1) through (7).

As added by P.L.2-2002, SEC.10.

IC 32-25-2-18

"Property"

Sec. 18. "Property" means:

- (1) the land;
- (2) the building;
- (3) all improvements and structures on the land or the building; and
- (4) all:
 - (A) easements;
 - (B) rights; and
 - (C) appurtenances;pertaining to the land or the building.

As added by P.L.2-2002, SEC.10.

IC 32-25-2-19

"To record"

Sec. 19. "To record" means to record in accordance with the laws of the state.

As added by P.L.2-2002, SEC.10.

IC 32-25-2-20

"Unit number"

Sec. 20. "Unit number" means the:

- (1) number;
- (2) letter; or
- (3) combination of numbers and letters;

designating the condominium unit in the declaration.

IC 32-25-3

Chapter 3. Classification of Property

IC 32-25-3-1

Classification of property

Sec. 1. A condominium unit and the unit's undivided interest in the common areas and facilities constitute real property.

IC 32-25-4

Chapter 4. Ownership Interest in Condominiums

IC 32-25-4-1

Fee simple title; conveyance and encumbrance of condominiums

Sec. 1. (a) If property is submitted to the condominium, each condominium unit owner is seized of:

- (1) the fee simple title to;
- (2) the exclusive ownership of; and
- (3) the exclusive possession of;

the owner's condominium unit and undivided interest in the common areas and facilities.

(b) A condominium unit may be:

- (1) individually conveyed;
- (2) individually encumbered; and
- (3) the subject of:
 - (A) ownership;
 - (B) possession;
 - (C) sale; and
 - (D) all types of juridic acts inter vivos or causa mortis;

as if the condominium unit were sole and entirely independent of the other condominium units in the building of which the condominium unit forms a part.

(c) Individual titles and interests with respect to condominium units are recordable.
As added by P.L.2-2002, SEC.10.

IC 32-25-4-2

Multiple ownership of condominiums

Sec. 2. A condominium unit may be held and owned by two (2) or more persons:

- (1) as joint tenants;
- (2) as tenants in common;
- (3) as tenants by the entirety; or
- (4) in any other real property tenancy relationship recognized under the law of the state.

As added by P.L.2-2002, SEC.10.

IC 32-25-4-3

Common areas and facilities; undivided interest; repairs

Sec. 3. (a) Each condominium unit owner is entitled to an undivided interest in the common areas and facilities as designated in the declaration. Except as provided in subsection (b), the undivided interest must be expressed as a percentage interest based on:

- (1) the size of the unit in relation to the size of all units in the condominium;
- (2) the value of each condominium unit in relation to the value of all condominium units in the condominium; or
- (3) the assignment of an equal percentage undivided interest to each condominium unit.

An undivided interest allocated to each condominium unit in accordance with this subsection must be indicated in a schedule of undivided interests in the declaration. However, if the declaration does not specify the method of allocating the percentage undivided interests, an equal percentage undivided interest applies to each condominium unit. The total undivided interests allocated in accordance with subdivision (1) or (2) must equal one hundred percent (100%).

(b) With respect to an expandable condominium, the declaration may allocate undivided interests in the common area on the basis of value if:

- (1) the declaration prohibits the creation of any condominium units not substantially identical to the condominium units depicted on the recorded plans of the declaration; or
- (2) the declaration:
 - (A) prohibits the creation of any condominium units not described in the initial declaration; and
 - (B) contains a statement on the value to be assigned to each condominium unit created after the date of the declaration.

(c) Interests in the common areas may not be allocated to any condominium units to be created within any additional land until the plats and plans and supplemental declaration depicting the condominium units to be created are recorded. Simultaneously with the recording of the plats and plans for the condominium units to be created, the declarant must execute and record an amendment to the initial declaration reallocating undivided interests in the common areas so that the future condominium units depicted on the plats and plans will be allocated undivided interests in the common areas on the same basis as the condominium units depicted in the prior recorded plats and plans.

(d) Except as provided in section 3.5 of this chapter and in IC 32-25-8-3, the undivided interest of the owner of the condominium unit in the common areas and facilities, as expressed in the declaration, is permanent and may not be altered without the consent of the co-owners. A consent to alteration must be stated in an amended declaration, and the amended declaration must be recorded. The undivided interest may not be transferred, encumbered, disposed of, or separated from the condominium unit to which it appertains, and any purported transfer, encumbrance, or other disposition is void. The undivided interest is considered to be conveyed or encumbered with the condominium unit to which it appertains even though the undivided interest is not expressly mentioned or described in the conveyance or other instrument.

(e) The common areas and facilities shall remain undivided. A condominium unit owner or any other person may bring an action for partition or division of any part of the common areas and facilities if the property has been removed from this chapter as provided in IC 32-25-8-12 and IC 32-25-8-16. Any covenant to the contrary is void.

(f) Each condominium unit owner:

- (1) may use the common areas and facilities in accordance with the purpose for which the common areas and facilities were intended; and
- (2) may not, in the owner's use of the common areas and facilities, hinder or encroach upon the lawful rights of the other co-owners.

(g) The:

(1) necessary work of:

- (A) maintenance;
- (B) repair; and
- (C) replacement;

of the common areas and facilities; and

(2) making of any additions or improvements to the common areas and facilities;

may be carried out only as provided in this chapter and in the bylaws.

(h) The association of condominium unit owners has the irrevocable right, to be exercised by the manager or board of directors, to have access to each condominium unit from time to time during reasonable hours as is necessary for:

(1) the maintenance, repair, or replacement of any of the common areas and facilities:

- (A) in the condominium unit; or
- (B) accessible from the condominium unit; or

(2) making emergency repairs in the condominium unit necessary to prevent damage to:

- (A) the common areas and facilities; or
- (B) another condominium unit.

As added by P.L.2-2002, SEC.10. Amended by P.L.1-2003, SEC.84; P.L.181-2007, SEC.1.

IC 32-25-4-3.5

Conveyance or encumbrance of common areas and facilities

Sec. 3.5. (a) This section applies only to a condominium located on the shore of a lake located in a township with a population of more than three thousand one hundred (3,100) but less than three thousand eight hundred (3,800) located in a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900).

(b) Except as otherwise provided in a statement described in:

(1) IC 32-25-7-1(a)(10) and included in:

(A) the declaration; or

(B) an amendment to the declaration, if the amendment is approved by at least ninety-five percent (95%)

of co-owners; or

(2) IC 32-25-8-2(12) and included in:

(A) the bylaws; or

(B) an amendment to the bylaws, if the amendment is approved by the percentage of votes set forth in

the bylaws under IC 32-25-8-2(11);

part or all of the common areas and facilities of a condominium may be conveyed or subjected to a security interest by the association of co-owners if at least ninety-five percent (95%) of the co-owners, including at least ninety-five percent (95%) of the co-owners of condominium units not owned by the declarant, agree to the action. However, if the common areas and facilities proposed to be conveyed or encumbered under this section include any limited common areas and facilities, all the owners of the limited common areas and facilities to be conveyed or encumbered must agree to the conveyance or encumbrance.

(c) An agreement to convey or encumber common areas and facilities under this section must be evidenced by an agreement:

(1) executed in the same manner as a deed or any other instrument recognized by the state for the

conveyance or transfer of interests in title; and

(2) signed by:

(A) at least ninety-five percent (95%) of the co-owners, as required by this section; or

(B) another percentage of the co-owners specified in a statement described in subsection (b)(1) or

(b)(2).

An agreement under this subsection is effective upon being recorded.

(d) Proceeds from the conveyance or encumbrance of common areas and facilities under this section shall be distributed to co-owners as common profits under IC 32-25-8-6. However, if the common areas and facilities conveyed or encumbered under this section include limited common areas and facilities, proceeds from the conveyance or encumbrance of the limited common areas and facilities shall be distributed to the owners of the limited common areas and facilities according to the percentage of the owners' undivided interest in the limited common areas and facilities.

(e) A conveyance or encumbrance of common areas and facilities not made in accordance with:

(1) this section; or

(2) a statement described in subsection (b)(1) or (b)(2);

is void.

As added by P.L.181-2007, SEC.2.

IC 32-25-4-4

Contributions for expenses

Sec. 4. (a) Except as provided in subsection (d) or (e), the co-owners are bound to contribute pro rata, in the percentages computed under section 3 of this chapter, toward:

- (1) the expenses of administration and of maintenance and repair of the general common areas and facilities and, in the proper case, of the limited common areas and facilities of the building; and
- (2) any other expense lawfully agreed upon.

(b) A co-owner may not exempt the co-owner from contributing toward the expenses referred to in subsection (a) by:

- (1) waiver of the use or enjoyment of the common areas and facilities; or
- (2) abandonment of the condominium unit belonging to the co-owner.

(c) All sums assessed by the association of co-owners shall be established by using generally accepted accounting principles applied on a consistent basis and shall include the establishment and maintenance of a replacement reserve fund. The replacement reserve fund may be used for capital expenditures and replacement and repair of the common areas and facilities and may not be used for usual and ordinary repair expenses of the common areas and facilities. The fund shall be:

(1) maintained in a separate interest bearing account with a bank or savings association authorized to conduct business in the county in which the condominium is established; or

(2) invested in the same manner and in the same types of investments in which the funds of a political subdivision may be invested:

(A) under IC 5-13-9; or

(B) as otherwise provided by law.

Assessments collected for contributions to the fund are not subject to adjusted gross income tax.

(d) If permitted by the declaration, the declarant or a developer (or a successor in interest of either) that is a co-owner of unoccupied condominium units offered for the first time for sale is excused from contributing toward the expenses referred to in subsection (a) for those units for a period that:

(1) is stated in the declaration;

(2) begins on the day that the declaration is recorded; and

(3) terminates no later than the first day of the twenty-fourth calendar month following the month in which the closing of the sale of the first condominium unit occurs.

However, if the expenses referred to in subsection (a) incurred by the declarant, developer, or successor during the period referred to in this subsection exceed the amount assessed against the other co-owners, the declarant, developer, or successor shall pay the amount by which the expenses incurred by the declarant, developer, or successor exceed the expenses assessed against the other co-owners.

(e) If the declaration does not contain the provisions referred to in subsection (d), the declarant or a developer (or a successor in interest of either) that is a co-owner of unoccupied condominium units offered for the first time for sale is excused from contributing toward the expenses referred to in subsection (a) for those units for a stated period if the declarant, developer, or successor:

(1) has guaranteed to each purchaser in the purchase contract, the declaration, or the prospectus, or by an agreement with a majority of the other co-owners that the assessment for those expenses will not increase over a stated amount during the stated period; and

(2) has obligated itself to pay the amount by which those expenses incurred during the stated period exceed the assessments at the guaranteed level under subdivision (1) receivable during the stated period from the other co-owners.

IC 32-25-6

Chapter 6. Liens and Encumbrances

IC 32-25-6-1

Liens and encumbrances

Sec. 1. (a) After a declaration is recorded under this article and while the property remains subject to this article, a lien may not arise or be effective against the property as a whole. Except as provided in subsection (b), liens or encumbrances may arise or be created only against:

(1) each condominium unit; and

(2) the undivided interest in the common areas and facilities appurtenant to each unit;

in the same manner and under the same conditions as liens or encumbrances may arise or be created against any other parcel of real property.

(b) Labor performed or materials furnished with the consent or at the request of a condominium unit owner, the owner's agent, or the owner's contractor or subcontractor may not be the basis for filing a lien under any lien law against the condominium unit or any other property of any other co-owner not expressly consenting to or requesting the performance of the labor or the furnishing of the materials. However, express consent is considered to be given by the owner of any condominium unit in the case of emergency repairs to the condominium unit. Labor performed or materials furnished for the common areas and facilities, if authorized by

the association of co-owners, the manager, or board of directors in accordance with this article, the declaration, or the bylaws:

- (1) are considered to be performed or furnished with the express consent of each co-owner;
- (2) constitute the basis for the filing of a lien under any lien law against each of the condominium units; and
- (3) are subject to subsection (c).

(c) If a lien against two (2) or more condominium units becomes effective, the owner of a condominium unit against which the lien is effective may remove the owner's:

- (1) unit; and
- (2) undivided interest in the common areas and facilities appurtenant to the unit;

from the lien by payment of the fractional or proportional amounts attributable to the unit. After the payment, discharge of the lien, or other satisfaction of the lien, the condominium unit and the undivided interest in the common areas and facilities appurtenant to the condominium unit are free and clear of the lien. A partial payment, partial satisfaction of the lien, or discharge of the lien may not prevent the lienholder from proceeding against any condominium unit and the undivided interest in the common areas and facilities appurtenant to the condominium unit that remain subject to the lien.

As added by P.L.2-2002, SEC.10.

IC 32-25-6-2

Common areas; transferable easements for making improvements

Sec. 2. Subject to any restrictions and limitations in the condominium instruments, the declarant has a transferable easement over and upon the common areas and facilities for the purpose of:

- (1) making improvements within:
 - (A) the condominium; or
 - (B) additional real estate;under those instruments and this article; and
- (2) doing all things reasonably necessary and proper in connection with the improvements referred to in subdivision (1).

As added by P.L.2-2002, SEC.10.

IC 32-25-6-3

Unpaid assessments; lien

Sec. 3. (a) All sums assessed by the association of co-owners but unpaid for the share of the common expenses chargeable to any condominium unit constitute a lien on the unit effective at the time of assessment. The lien has priority over all other liens except:

- (1) tax liens on the condominium unit in favor of any:
 - (A) assessing unit; or
 - (B) special district; and
- (2) all sums unpaid on a first mortgage of record.

(b) A lien under subsection (a) may be filed and foreclosed by suit by the manager or board of directors, acting on behalf of the association of co-owners, under laws of Indiana governing mechanics' and materialmen's liens. In any foreclosure under this subsection:

(1) the condominium unit owner shall pay a reasonable rental for the unit, if payment of the rental is provided in the bylaws; and

- (2) the plaintiff in the foreclosure is entitled to the appointment of a receiver to collect the rental.

(c) The manager or board of directors, acting on behalf of the association of co-owners, may, unless prohibited by the declaration:

- (1) bid on the condominium unit at foreclosure sale; and
- (2) acquire, hold, lease, mortgage, and convey the condominium unit.

(d) Suit to recover a money judgment for unpaid common expenses is maintainable without foreclosing or having the lien securing the expenses.

(e) If the mortgagee of a first mortgage of record or other purchaser of a condominium unit obtains title to the unit as a result of foreclosure of the first mortgage, the acquirer of title, or the acquirer's successors and assigns, is not liable for the share of the common expenses or assessments by the association of co-owners chargeable to the unit that became due before the acquisition of title to the unit by the acquirer. The unpaid share of common expenses or assessments is considered to be common expenses collectible from all of the co-owners, including the acquirer or the acquirer's successors and assigns.

IC 32-25-7

Chapter 7. Declaration

IC 32-25-7-1

Recording declaration; contents

Sec. 1. (a) The owner of the land on which a condominium is declared shall record with the recorder of the county in which the land is situated a declaration. Except as provided in section 2 or 3 of this chapter, the declaration must include the following:

(1) A description of the land on which the building and improvements are or are to be located.

(2) A description of the building, stating:

(A) the number of stories and basements; and

(B) the number of condominium units.

(3) A description of the common areas and facilities.

(4) A description of the limited common areas and facilities, if any, stating to which condominium units their use is reserved.

(5) The percentage of undivided interest in the common areas and facilities appertaining to each condominium unit and its owner for all purposes, including voting.

(6) A statement of the percentage of votes by the condominium unit owners required to determine whether to:

(A) rebuild;

(B) repair;

(C) restore; or

(D) sell;

the property if all or part of the property is damaged or destroyed.

(7) Any covenants and restrictions in regard to the use of:

(A) the condominium units; and

(B) common areas and facilities.

(8) Any further details in connection with the property that:

(A) the person executing the declaration considers desirable; and

(B) are consistent with this article.

(9) The method by which the declaration may be amended in a manner consistent with this chapter.

(10) This subdivision applies only to a condominium located on the shore of a lake located in a township with a population of more than three thousand one hundred (3,100) but less than three thousand eight hundred (3,800) located in a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900). A statement of the percentage of votes by the condominium unit owners required to convey or encumber part or all of the common areas and facilities. A statement under this subdivision may not allow less than ninety-five percent (95%) of the condominium unit owners, or less than ninety-five percent (95%) of the owners of condominium units not owned by the declarant, to convey or encumber part or all of the common areas and facilities. If the declaration does not include a statement under this subdivision, IC 32-25-4-3.5 applies.

(b) A true copy of the bylaws shall be annexed to and made a part of the declaration.

(c) The record of the declaration shall contain a reference to the:

(1) book;

(2) page; and

(3) date of record;

of the floor plans of the building affected by the declaration.

As added by P.L.2-2002, SEC.10. Amended by P.L.181-2007, SEC.3.

IC 32-25-7-2

Expandable condominiums; contents of declaration

Sec. 2. (a) If a condominium is an expandable condominium, the declaration shall contain, in addition to the matters specified in section 1 of this chapter:

(1) a general plan of development showing:

(A) the property subject to the condominium;

(B) areas into which expansion may be made; and

(C) the maximum number of condominium units in additional phases that may be added;

(2) a schedule or formula for determining the percentage of undivided interests in the common areas and facilities that will appertain to each condominium unit as each additional phase is added; and

(3) a time limit, not exceeding ten (10) years, within which the phase or phases may be added to the condominium.

(b) If additional phases are not developed within five (5) years after the recordation of the declaration, the development of additional phases is not considered to be part of:

(1) a common scheme; and

(2) development of the entire condominium.
As added by P.L.2-2002, SEC.10.

IC 32-25-7-3

Contractable condominiums; contents of declaration

Sec. 3. If a condominium is a contractable condominium, the declaration shall contain, in addition to matters specified in section 1 of this chapter:

- (1) an explicit reservation of an option to contract the condominium;
- (2) a statement of any limitations on the option to contract the condominium;
- (3) a date, not later than ten (10) years after the recording of the declaration, upon which the option to contract the condominium will expire;
- (4) a statement of any circumstances that will terminate the option to contract the condominium before the expiration date referred to in subdivision (3);
- (5) a legally sufficient description of all withdrawable land;
- (6) a statement as to whether portions of the withdrawable land may be withdrawn from the condominium at different times; and
- (7) a statement of any limitations:
 - (A) fixing the boundaries of portions of the withdrawable land; or
 - (B) regulating the order in which the portions may be withdrawn.

As added by P.L.2-2002, SEC.10.

IC 32-25-7-4

Floor plans

Sec. 4. (a) Simultaneously with the recording of the declaration, a set of floor plans of the condominium or building shall be filed in the office of the county recorder. The set of floor plans must include the following:

- (1) The relation of the condominium or building to lot lines.
 - (2) The:
 - (A) layout;
 - (B) elevation;
 - (C) location;
 - (D) unit numbers; and
 - (E) dimensions;of the condominium units.
 - (3) The name of the condominium or building, or that it has no name.
 - (4) The verified statement of a registered architect or licensed professional engineer certifying that the set of floor plans is an accurate copy of portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.
- (b) If the set of floor plans referred to in subsection (a) does not include a verified statement by an architect or engineer that the plans fully and accurately depict the layout, location, unit numbers, and dimensions of the condominium units as built, an amendment to the declaration must be recorded before the first conveyance of any condominium unit. The amendment to the declaration must have attached to it a verified statement of a registered architect or licensed professional engineer certifying that the filed set of floor plans or the set of floor plans being filed simultaneously with the amendment fully and accurately depicts the layout, location, unit numbers, and dimensions of the condominium units as built. The set of floor plans shall:
- (1) be kept by the recording officer in a separate file for each building;
 - (2) be indexed in the same manner as a conveyance entitled to be recorded;
 - (3) be numbered serially in the order of receipt;
 - (4) be designated "condominium unit ownership", with the name of the building, if any; and
 - (5) contain a reference to the:
 - (A) book;
 - (B) page; and
 - (C) date of recording;of the amendment to the declaration.
- (c) The record of the amendment to the declaration referred to in subsection (b) shall contain a reference to the file number of the set of floor plans of the building affected by the amendment to the declaration.

As added by P.L.2-2002, SEC.10.

IC 32-25-7-5

Designation; conveyance

Sec. 5. (a) Each condominium unit in a building shall be designated, on the set of floor plans referred to in section 4 of this chapter, by letter, number, or other appropriate designation.

(b) Any instrument recognized by the state for the conveyance or transfer of interests in title, which describes the apartment by using the designation referred to in subsection (a) followed by the words "in (name) Condominium as recorded in Book _____, p. ___, under the date of _____, _____, of the records of _____ County, Indiana", is considered to contain a good and sufficient description for all purposes.

(c) Any conveyance or transfer of interest in title of a condominium unit is considered also to convey the undivided interests of the owner in the common areas and facilities, both general and limited, appertaining to the condominium unit without specifically or particularly referring to the undivided interests. The:

- (1) contents;
- (2) form;
- (3) method of preparation;
- (4) recording of an instrument of conveyance; and
- (5) interpretation of an instrument of conveyance;

are governed by the law of Indiana relating to real property.

(d) Each instrument or deed of conveyance also shall include the following:

- (1) A statement of the use for which the condominium unit is intended.
- (2) A statement of the restrictions on the use of the condominium unit.
- (3) The percentage of undivided interest appertaining to the condominium unit in the common areas and facilities.
- (4) The amount of any unpaid current or delinquent assessments of common expenses.
- (5) Any other details and restrictions that:
 - (A) the grantor and grantee consider desirable; and
 - (B) are consistent with the declaration.

(e) Failure to make a statement in the deed as required by subsection (d)(4) does not:

- (1) invalidate the title conveyed by the deed; or
- (2) absolve a grantee under the deed from liability for any unpaid current or delinquent assessments of common expenses against a condominium unit on the date of its conveyance.

(f) Upon the request of a:

- (1) condominium unit owner;
- (2) prospective grantee;
- (3) title insurance company; or
- (4) mortgagee;

the secretary or other authorized officer of the association of co-owners shall provide, within five (5) days of the request, a statement of the amount of current and delinquent assessments of common expenses against a particular condominium unit.

As added by P.L.2-2002, SEC.10.

IC 32-25-7-6

Presumption of consent to changes; reallocation of interests in common area; liens

Sec. 6. (a) Except as provided in subsection (b), if the declaration for a condominium is in conformity with section 2 of this chapter, it is presumed that any owner of a condominium unit in that condominium has consented to the changes in the percentage of undivided interest in the common areas and facilities appertaining to the owner's unit.

(b) An owner of a condominium unit who entered an agreement to purchase that unit before the recordation of the declaration may not be presumed to have consented to the changes referred to in subsection (a) unless the owner:

- (1) was provided a copy of:
 - (A) the expansion provisions; or
 - (B) the declaration; and

(2) made a written acknowledgment of the receipt of the provisions before entering the purchase agreement.

(c) The reallocation of percentage of undivided interests in the common areas and facilities vests when the amendment to the declaration incorporating the reallocated percentages is recorded.

(d) When the amendment to the declaration incorporating:

- (1) the addition of condominium units;
- (2) the expansion of common areas and facilities; or
- (3) both addition and expansion as described in subdivisions (1) and (2);

is recorded, all liens, including mortgage liens, are released as to the percentage of undivided interests in the common areas and facilities described in the declaration (before amendment of the declaration) and shall attach

to the reallocated percentage of undivided interests in the common areas and facilities described in the amendment to the declaration as though the liens had attached to those percentage interests on the date of the recordation of the mortgage or other document that evidences the creation of the lien. The percentage interest in the common areas and facilities appertaining to additional condominium units being added by the amendment to the declaration are subject to mortgage liens and other liens upon the recordation of the amendment to the declaration.

IC 32-25-8

Chapter 8. Administration of Condominiums

IC 32-25-8-1

Bylaws; administration of property

Sec. 1. The administration of every property is governed by bylaws. A true copy of the bylaws shall be annexed to and made a part of the declaration. A modification of or amendment to the bylaws is valid only if:

- (1) the modification or amendment is set forth in an amendment to the declaration; and
- (2) the amendment is recorded.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-2

Bylaws; contents

Sec. 2. The bylaws must provide for the following:

- (1) With respect to the board of directors:
 - (A) the election of the board from among the co-owners;
 - (B) the number of persons constituting the board;
 - (C) the expiration of the terms of at least one-third (1/3) of the directors annually;
 - (D) the powers and duties of the board, including whether the board may engage the services of a manager or managing agent;
 - (E) the compensation, if any, of the directors; and
 - (F) the method of removal from office of directors.
- (2) The method of calling meetings of the co-owners and the percentage, if other than a majority of co-owners, that constitutes a quorum.
- (3) The election from among the board of directors of a president, who shall preside over the meetings of:
 - (A) the board of directors; and
 - (B) the association of co-owners.
- (4) The election of a secretary, who shall keep the minute book in which resolutions shall be recorded.
- (5) The election of a treasurer, who shall keep the financial records and books of account.
- (6) The maintenance, repair, and replacement of the common areas and facilities and payments for that maintenance, repair, and replacement, including the method of approving payment vouchers.
- (7) The manner of collecting from each condominium owner the owner's share of the common expenses.
- (8) The designation and removal of personnel necessary for the maintenance, repair, and replacement of the common areas and facilities.
- (9) The method of adopting and of amending administrative rules governing the details of the operation and use of the common areas and facilities.
- (10) The restrictions on and requirements respecting the use and maintenance of the condominium units and the use of the common areas and facilities that are:
 - (A) not set forth in the declaration; and
 - (B) designed to prevent unreasonable interference with the use of their respective units and of the common areas and facilities by the several co-owners.
- (11) The percentage of votes required to amend the bylaws.
- (12) This subdivision applies only to a condominium located on the shore of a lake located in a township with a population of more than three thousand one hundred (3,100) but less than three thousand eight hundred (3,800) located in a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900). A statement of the percentage of votes by the condominium unit owners required to convey or encumber part or all of the common areas and facilities. A statement under this subdivision may not allow less than ninety-five percent (95%) of the condominium unit owners, or less than ninety-five percent (95%) of the owners of condominium units not owned by the declarant, to convey or encumber part or all of the common areas and facilities. If the bylaws do not include a statement under this subdivision, IC 32-25-4-3.5 applies.
- (13) Other provisions consistent with this article considered necessary for the administration of the

property.

As added by P.L.2-2002, SEC.10. Amended by P.L.181-2007, SEC.4.

IC 32-25-8-3

Recording instruments; indexes

Sec. 3. (a) The following shall be recorded:

- (1) A declaration.
- (2) An amendment to a declaration.
- (3) An instrument by which this article may be waived.
- (4) An instrument affecting the property or any condominium unit.

(b) A declaration and any amendment to a declaration are valid only if the declaration or amendment is recorded.

(c) All of the laws of the state applicable to the recording of instruments affecting real property apply to the recording of instruments affecting any interest in a condominium unit.

(d) In addition to the records and indexes required to be maintained by the recording officer, the recording officer shall maintain an index or indexes in which:

(1) the record of each declaration contains a reference to the record of each conveyance of a condominium unit affected by the declaration; and

(2) the record of each conveyance of a condominium unit contains a reference to the declaration of the building of which the condominium unit is a part.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-4

Sales and management offices; model units

Sec. 4. (a) A declarant may:

- (1) maintain:
 - (A) sales offices;
 - (B) management offices; and
 - (C) model condominium units;

in the condominium only if the condominium instruments provide for those items; and

(2) specify the rights of the declarant with regard to the:

- (A) number;
- (B) size;
- (C) location; and
- (D) relocation;

of the items referred to in subdivision (1).

(b) If the declarant ceases to be a condominium unit owner:

(1) an item referred to in subsection (a)(1) that is not designated a condominium unit by the condominium instruments becomes part of the common areas and facilities; and

(2) the declarant ceases to have any rights to the item referred to in subdivision (1) unless the item is removed promptly from the condominium real estate under a right reserved in the condominium instruments to make the removal.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-5

Alteration or structural changes; impairing easements or hereditaments

Sec. 5. A condominium unit owner may not make an alteration or structural change that would:

- (1) jeopardize the soundness or safety of the property;
- (2) reduce the value of the property; or
- (3) impair any easement or hereditament;

unless the condominium unit owner has obtained the unanimous consent of all the other co-owners.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-6

Common profits and expenses

Sec. 6. The:

- (1) common profits of the property shall be credited to; and
- (2) common expenses of the property shall be charged to;

the condominium unit owners according to the percentage of the owners' undivided interests in the common areas and facilities.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-7

Taxes, assessments, and charges

Sec. 7. (a) Taxes, assessments, and other charges of:

- (1) the state;
- (2) any political subdivision;
- (3) any special improvement district; or
- (4) any other taxing or assessing authority;

shall be assessed against and collected on each condominium unit. Taxes, assessments, and other charges referred to in this subsection may not be assessed and collected on the building or property as a whole.

(b) Each condominium unit shall be carried on the tax books as a separate and distinct entity for the purpose of taxes, assessments, and other charges.

(c) A forfeiture or sale of the building or property as a whole for delinquent taxes, assessments, or charges may not divest or affect the title to a condominium unit if taxes, assessments, and charges on the condominium unit are currently paid.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-8

Records

Sec. 8. (a) The manager or board of directors shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing:

- (1) the maintenance and repair expenses of the common areas and facilities; and
- (2) any other expenses incurred.

(b) The records and the vouchers authorizing the payments shall be available for examination by the co-owners at convenient hours of weekdays.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-9

Insurance; co-owners

Sec. 9. (a) The co-owners, through the association of co-owners, shall purchase:

(1) a master casualty policy, payable as part of the common expenses, affording fire and extended coverage in an amount consonant with the full replacement value of the improvement that in whole or in part comprises the common areas and facilities; and

(2) a master liability policy in an amount:

- (A) required by the bylaws;
- (B) required by the declaration; or
- (C) revised from time to time by a decision of the board of directors of the association.

(b) The policy referred to in subsection (a)(2) shall cover:

- (1) the association of co-owners;
- (2) the executive organ, if any;
- (3) the managing agent, if any;

(4) all persons acting, or who may come to act, as agents or employees of any of the entities referred to in subdivisions (1)

through (3) with respect to:

- (A) the condominium;
- (B) all condominium unit owners; and
- (C) all other persons entitled to occupy any unit or other portions of the condominium.

(c) Other policies required by the condominium instruments may be obtained by the co-owners through the association, including:

- (1) worker's compensation insurance;
- (2) liability insurance on motor vehicles owned by the association;
- (3) specialized policies covering land or improvements on which the association has or shares ownership

or other rights; and

(4) officers' and directors' liability policies.

(d) When any policy of insurance has been obtained by or on behalf of the association of co-owners, the officer required to send notices of meetings of the association of co-owners shall promptly furnish to each co-owner or mortgagee whose interest may be affected written notice of:

(1) the obtainment of the policy; and

(2) any subsequent changes to or termination of the policy.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-10

Insurance; reconstruction of building

Sec. 10. (a) In case of fire or any other casualty or disaster, other than complete destruction of all buildings containing the condominium units:

(1) the improvements shall be reconstructed; and

(2) the insurance proceeds shall be applied to reconstruct the improvements.

(b) In the event of complete destruction of all of the buildings containing condominium units:

(1) the buildings shall not be reconstructed, except as provided in subdivision (2), and the insurance proceeds, if any, shall be divided among the co-owners:

(A) in the percentage by which each owns an undivided interest in the common areas and facilities; or

(B) proportionately according to the fair market value of each condominium unit immediately before the casualty as compared with the fair market value of all other condominium units;

as specified in the bylaws of the condominium; and

(2) the property shall be considered as to be removed from the condominium under section 16 of this chapter, unless by a vote of two-thirds (2/3) of all of the co-owners a decision is made to rebuild the building.

(c) If a decision is made under subsection (b)(2) to rebuild the building, the insurance proceeds shall be applied, and any excess of construction costs over insurance proceeds shall be contributed as provided in this section in the event of less than total destruction of the buildings.

(d) A determination of total destruction of the buildings containing condominium units shall be made by a vote of two-thirds (2/3) of all co-owners at a special meeting of the association of co-owners called for that purpose.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-11

Insurance; reconstruction of building; insufficient proceeds

Sec. 11. (a) If:

(1) the:

(A) improvements are not insured; or

(B) insurance proceeds are not sufficient to cover the cost of repair or reconstruction; and

(2) the property is not to be removed from the condominium;

the co-owners shall contribute the balance of the cost of repair or reconstruction in the percentage by which a condominium unit owner owns an undivided interest in the common areas and facilities as expressed in the declaration.

(b) The amount of the contribution under subsection (a):

(1) is assessed as part of the common expense; and

(2) constitutes a lien from the time of assessment of the contribution as provided in IC 32-25-6-3.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-12

Determination not to rebuild after casualty or disaster

Sec. 12. The following apply if, under section 10 of this chapter, it is not determined by the co-owners to rebuild after a casualty or disaster has occurred:

(1) The property is considered to be owned in common by the condominium unit owners.

(2) The undivided interest in the property owned in common that appertains to each condominium unit owner is the percentage of undivided interest previously owned by the owner in the common areas and facilities.

(3) Any liens affecting any of the condominium units are considered to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the condominium unit owner in the property.

(4) The property is subject to an action for partition at the suit of any condominium unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any:

(A) are considered as one (1) fund; and

(B) are divided among all the condominium unit owners in a percentage equal to the percentage of

undivided interest owned by each owner in the property, after first paying out of the respective shares of the condominium unit owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each condominium unit owner.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-13

Expandable condominiums; addition of real estate

Sec. 13. (a) Subject to the declaration and this chapter, a declarant may add additional real estate to an expandable condominium if an amendment to the declaration required by subsection (b) is executed in the manner described in section 3 of this chapter. The expansion is effective when the instruments required by subsection (b) are recorded.

(b) In expanding the condominium, the declarant shall:

- (1) prepare, execute, and record amendments to the condominium instruments; and
- (2) record new plats and plans under IC 32-25-7-1 and IC 32-25-7-4.

The amendment to the declaration shall assign an identifying number to each condominium unit within the real estate being added and shall reallocate undivided interests in the common areas and facilities under IC 32-25-4-3.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-14

Contractable condominiums; withdrawal of land

Sec. 14. (a) Subject to:

- (1) the declaration;
- (2) condominium instruments; and
- (3) this chapter;

a declarant may withdraw withdrawable land from a contractable condominium unless the withdrawal is prohibited by subsection (c). The contraction is effective when the instruments required by subsection (b) are recorded.

(b) In contracting the condominium, the declarant shall prepare, execute, and record an amendment to the declaration and condominium instruments:

- (1) containing a legally sufficient description of the land being withdrawn; and
- (2) stating the fact of withdrawal.

(c) If a portion of the withdrawable land was described under IC 32-25-7-3(6) and IC 32-25-7-3(7), that portion may not be withdrawn if any person other than the declarant owns a condominium unit situated on that portion of the withdrawable land. If that portion of the withdrawable land was not described under IC 32-25-7-3(6) and IC 32-25-7-3(7), none of the withdrawable land may be withdrawn if any person other than the declarant owns a condominium unit situated on that portion of the withdrawable land.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-15

Reservation of option not to expand; disclosure

Sec. 15. If a declarant reserves an option in the declaration to not expand the condominium, the declarant shall:

- (1) make a full disclosure of that option to every prospective buyer in writing before the buyer enters an agreement to purchase a condominium unit; and
- (2) obtain and retain an instrument acknowledging receipt of that disclosure by the prospective buyer.

As added by P.L.2-2002, SEC.10.

IC 32-25-8-16

Removal of property

Sec. 16. (a) All of the co-owners may remove a property from this article by a recorded removal instrument if the holders of all liens affecting any of the condominium units:

- (1) consent in a recorded instrument to the removal; or
- (2) agree in a recorded instrument that their liens be transferred to the percentage of the undivided interest of the condominium unit owner in the property as provided in this section.

(b) If it is determined under section 10 of this chapter that all of the buildings containing condominium units have been totally destroyed:

- (1) the property is considered removed from this article; and
- (2) an instrument reciting the removal under section 10 of this chapter shall be recorded and executed by

the association of co-owners.

(c) At the time of recording under subsection (b)(2), the property is removed from this article.

(d) Upon removal of the property from this article, the property is considered to be owned in common by the condominium unit owners. The undivided interest in the property owned in common that appertains to each condominium unit owner is the percentage of undivided interest previously owned by the owner in the common areas and facilities.

(e) Under the circumstances described in subsection (a) or in subsections (b) through (d), the property is subject to an action for partition at the suit of any condominium unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any:

(1) are considered as one (1) fund; and

(2) are divided among all the condominium unit owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective shares of the condominium unit owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each condominium unit owner.

(f) A removal under this section does not bar the subsequent resubmission of the property to this article.

IC 32-25-9

Chapter 9. Actions and Proceedings

IC 32-25-9-1

Compliance with articles, bylaws, covenants, etc.; organization of co-owners

Sec. 1. (a) Each condominium unit owner shall comply with:

(1) the articles of incorporation or association;

(2) the bylaws;

(3) any administrative rules adopted under:

(A) the articles of incorporation or association; or

(B) the bylaws; and

(4) the covenants, conditions, and restrictions set forth in:

(A) the declaration; or

(B) the deed to the owner's condominium unit.

(b) Failure to comply as required under subsection (a) is grounds for an action:

(1) to recover sums due;

(2) for damages;

(3) for injunctive relief; or

(4) for any other legal or equitable relief;

maintainable by the manager or board of directors on behalf of the association of co-owners or by an aggrieved co-owner.

(c) The association of co-owners may be organized as:

(1) a nonprofit corporation under:

(A) IC 23-7-1.1 (before its repeal August 1, 1991); or

(B) IC 23-17; or

(2) an unincorporated association.

As added by P.L.2-2002, SEC.10.

IC 32-25-9-2

Actions and proceedings

Sec. 2. (a) The board of directors, or the manager with the approval of the board of directors, may bring an action on behalf of two (2) or more of the condominium unit owners, as their respective interests appear, with respect to any cause of action relating to:

(1) the common areas and facilities; or

(2) more than one (1) condominium unit.

An action brought under this subsection does not limit the rights of any condominium unit owner.

(b) Service of process on two (2) or more condominium unit owners in any action relating to:

(1) the common areas and facilities; or

(2) more than one (1) condominium unit;

may be made on the person designated in the declaration to receive service of process.