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INDIANA HOMEOWNERS ASSOCIATIONS

IC 32-25.5 et. seq.

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IC 32-25.5-1 Chapter 1. Applicability

IC 32-25.5-1-1 Applicability

Sec. 1. (a) Subject to subsection, (b) this article applies to the following:

(1) A homeowners association established after June 30, 2009, that is authorized to impose mandatory dues on the homeowners association's members.

(2) A homeowners association established before July 1, 2009:

(A) If a majority of the members of the homeowners association elect to be governed by this article; or

(B) If the number of members required by the homeowners association's governing documents elect to be governed by this article if a different number of members other than the number established in clause (A) is required by the governing documents.

(b) The following apply to all homeowners associations, including a homeowners association described in subsection (a)(2), regardless of whether the members of the homeowners association have elected under subsection (a) (2) (A) or (a) (2) (B) to be governed by this article:

(1) IC 32-25.5-3-3(g) through IC 32-25.5-3-3(m).

(2) IC 32-25.5-3-9.

(3) IC 32-25.5-3-10.

(4) IC 32-25.5-3-11.

(5) IC 32-25.5-4.

(6) IC 32-25.5-5.

IC 32-25.5-2 Chapter 2. Definitions

IC 32-25.5-2-1 Applicability

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

IC 32-25.5-2-2 "Board"

Sec. 2. "Board" refers to the board of directors of a homeowners association.

IC 32-25.5-2-3 "Governing documents"

Sec. 3. "Governing documents" includes the following:

(1) The articles of incorporation and bylaws of a homeowners association and all adopted amendments to the articles of incorporation and bylaws.

(2) Any applicable covenants filed with the office of the county recorder of the applicable county recorder, whether contained in a declaration of covenants, contained in conditions and restrictions (or similarly titled document), or contained within a plat.

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IC 32-25.5-2-4 "Homeowners association"

Sec. 4. "Homeowners association" means a corporation or another entity that:

- (1) is organized and operated exclusively for the benefit of two (2) or more persons who each own a dwelling in fee simple;
- (2) Acts, in accordance with the articles, bylaws, or other documents governing the corporation or entity, to:
 - (A) acquire, transfer, manage, repair, maintain, or engage in construction on or in the land and improvements on the land related to the use of the dwellings owned by the members of the corporation or entity;
 - (B) Purchase insurance to cover a casualty or an activity on or in the land and improvements on the land;
 - (C) Engage in an activity incidental to an activity described in clause (A) or (B); or
 - (D) Engage in more than one (1) of the activities described in clauses (A) through (C); and
- (3) May be governed by a board that serves the purpose of setting policy and controlling or otherwise overseeing the activities or functional responsibilities of the corporation or entity.

IC 32-25.5-2-5 "Subdivision"

Sec. 5. "Subdivision" means the division of a parcel of land into lots, parcels, tracts, units, or interests in the manner defined and prescribed by a subdivision control ordinance adopted by a legislative body under IC 36-7-4.

IC 32-25.5-3 Chapter 3. Homeowners Associations

IC 32-25.5-3-1 Roster of members; member addresses

Sec. 1. (a) A homeowners association shall maintain:

- (1) A current roster of all members of the association; and
 - (2) The mailing address and legal description for each member of the association.
- (b) The homeowners association shall also maintain any electronic mail addresses or facsimile (fax) numbers of those members who have consented to receive notice by electronic mail or facsimile (fax). Electronic mail addresses and facsimile (fax) numbers provided by a member to receive notice by electronic mail or facsimile (fax) shall be removed from the association's records when the member revokes consent to receive notice by electronic mail or facsimile (fax). However, the association is not liable for an erroneous disclosure of an electronic mail address or a facsimile (fax) number for receiving notices.
- (c) The mailing addresses and legal descriptions maintained by a homeowners association under subsection (a):
- (1) Shall be made available to a member of the homeowners association upon request;

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(2) May be used by a member of the homeowners association only for a purpose related to the operation of the homeowners association; and

(3) May not be used by a member of the homeowners association for personal reasons.

(d) Except as provided in subsection (c), a homeowners association may not sell, exchange, or otherwise transfer information maintained by the homeowners association under this section to any person.

IC 32-25.5-3-2 Special meetings

Sec. 2. (a) In addition to any other meeting held by a board, a board shall hold a special meeting of the members of a homeowners association if at least ten percent (10%) of the members of the homeowners association submit to the board at least one (1) written demand for the special meeting that:

(1) Describes the purpose for which the meeting is to be held; and

(2) Is signed by the members requesting the special meeting.

(b) If a board does not send out a notice of the date, time, and place for a special meeting not more than thirty (30) days after the date the board receives a valid written demand for the special meeting under subsection (a), a member of the homeowners association who signed the written demand may:

(1) Set the date, time, and place for the special meeting; and

(2) Send out the notice for the special meeting to the other members.

IC 32-25.5-3-3 Annual budget; budget meeting; budget approval; records available to members; right of members to attend board meetings; communications not subject to disclosure; records retention; search fees

Sec. 3. (a) A homeowners association shall prepare an annual budget.

(b) The annual budget must reflect:

(1) The estimated revenues and expenses for the budget year; and

(2) The estimated surplus or deficit as of the end of the current budget year.

(c) The homeowners association shall provide each member of the homeowners association with:

(1) a:

(A) copy of the proposed annual budget; or

(B) written notice that a copy of the proposed annual budget is available upon request at no charge to the member; and

(2) A written notice of the amount of any increase or decrease in a regular annual assessment paid by the members that would occur if the proposed annual budget is approved; before the homeowner's association meeting held under subsection (d).

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(d) Subject to subsection (f), a homeowner's association budget must be approved at a meeting of the homeowners association members by a majority of the members of the homeowners association in attendance at a meeting called and conducted in accordance with the requirements of the homeowners association's governing documents.

(e) For purposes of this section, a member of a homeowners association is considered to be in attendance at a meeting if the member attends:

(1) In person;

(2) By proxy; or

(3) By any other means allowed under:

(A) State law; or

(B) The governing documents of the homeowners association.

(f) If the number of members of the homeowners association in attendance at a meeting held under subsection (d) does not constitute a quorum as defined in the governing documents of the homeowners association, the board may adopt an annual budget for the homeowners association for the ensuing year in an amount that does not exceed one hundred percent (100%) of the amount of the last approved homeowners association annual budget. However, the board may adopt an annual budget for the homeowners association for the ensuing year in an amount that does not exceed one hundred ten percent (110%) of the amount of the last approved homeowners association annual budget if the governing documents of the homeowners association allow the board to adopt an annual budget under this subsection for the ensuing year in an amount that does not exceed one hundred ten percent (110%) of the amount of the last approved homeowners association annual budget.

(g) Subject to subsection (k):

(1) the financial records, including all contracts, invoices, bills, receipts, and bank records, of a homeowners association must be available for inspection by each member of the homeowners association upon written request; and

(2) the minutes of meetings of the homeowners association board, including the annual meeting, must be available to a member of the homeowners association for inspection upon the homeowners association member's request, which may be submitted:

(A) In person;

(B) In writing; or

(C) By electronic mail.

In addition to the right to inspect the meeting minutes of the homeowners association board, a member of a homeowners association has the right to attend any meeting of the homeowner's association board, including an annual meeting of the board. However, the board of directors may meet in private to discuss delinquent assessments. The board of directors may also meet in private with legal counsel to discuss the initiation of litigation, or to discuss litigation that either is

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pending or has been threatened specifically in writing. As used in this subsection, "litigation" includes any judicial action or administrative law proceeding under state or federal law.

A written request for inspection must identify with reasonable particularity the information being requested. A member's ability to inspect records under this section shall not be unreasonably denied or conditioned upon provision of an appropriate purpose for the request. The homeowners association may charge a reasonable fee for the copying of a record requested under this subsection if the homeowners association member requests a written copy of the record.

(h) Subject to subsections (j) and (k), if there is a dispute between a homeowner and a homeowners association, the officers of the homeowners association must make all communications concerning the dispute available to the homeowner.

(i) Subject to subsections (j) and (k), the following apply:

(1) A homeowners association shall make all communications and information concerning a lot available to the owner of the lot or a home on the lot.

(2) If a homeowners association initiates communication with any member about another member's lot, the homeowners association must give a copy of that communication to the other member whose lot is the subject of the communication. However, this subdivision does not apply if the communication concerns suspected criminal activity, or activity that is the subject of a law enforcement investigation, involving the member whose lot is the subject of the communication.

(j) A homeowners association is not required to make:

(1) Communications between the homeowners association and the legal counsel of the homeowners association; and

(2) Other communications or attorney work product prepared in anticipation of litigation; available to the owner of a lot or home.

(k) A homeowners association is not required to make available to a member for inspection any of the following:

(1) Unexecuted contracts.

(2) Records regarding contract negotiations.

(3) Information regarding an individual member's association account to a person who is not a named party on the account.

(4) Any information that is prohibited from release under state or federal law.

(5) Any records that were created more than two (2) years before the request.

(6) Information that:

(A) is provided by a member of the homeowners association about another member of the homeowners association; and

(B) Concerns suspected criminal activity involving the other member.

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Except as otherwise provided in this article (including subsection (j) and this subsection), other applicable law, or the governing documents of the homeowners association, a homeowners association is not required to retain a record of a written or electronic communication for any specific period of time. However, a homeowners association or a member of the board of a homeowners association shall retain for at least two (2) years after receipt, and during that 8 | Indiana Code 2022 period shall make available to a member of the homeowners association at the member's request, any written or electronic communication received by the homeowners association or board member that relates to a financial transaction of the homeowners association and that is not otherwise excepted from disclosure under this article or other applicable law.

(l) Nothing in this chapter:

(1) abrogates or eliminates provisions in homeowner's association agreements that permit or require additional disclosure or inspection rights not required by this chapter; or

(2) Prevents a homeowners association from agreeing to make disclosures or to provide inspection rights not required by this chapter.

(m) A homeowners association may not charge a fee for the first hour required to search for a record in response to a written request submitted under this chapter. A homeowners association may charge a search fee for any time that exceeds one (1) hour. The following provisions apply if a homeowners association charges a search fee:

(1) The homeowners association shall charge an hourly fee that does not exceed thirty-five dollars (\$35) per hour.

(2) The homeowners association may charge the fee only for time that the person making the search actually spends in searching for the record.

(3) The homeowners association shall prorate the fee to reflect any search time of less than one (1) hour.

(4) The total amount of the fee charged by the homeowners association for a search may not exceed two hundred dollars (\$200).

IC 32-25.5-3-3.5 Homeowners association distributing water or sewer service; not considered public utility

Sec. 3.5. A homeowners association (including a board acting on behalf of a homeowners association) that distributes water or sewage disposal service from a water or sewer utility to one (1) or more members of the homeowners association is not a public utility solely by reason of engaging in this activity if the homeowners association complies with IC 8-1-2-1.2.

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IC 32-25.5-3-4 Approval of certain contracts; meeting; vote

Sec. 4. (a) This section does not apply to:

- (1) a contract entered into by a board that would resolve, settle, or otherwise satisfy an act of enforcement against a homeowners association for violating a state or local law; or
- (2) a contract under IC 36-9-27.8.

(b) A board may not enter into any contract that would result in a new assessment or the increase in an existing assessment payable by the affected members of the homeowners association in the amount of more than five hundred dollars (\$500) per year for each affected member of the homeowners association unless:

- (1) the board holds at least two (2) homeowners association meetings concerning the contract; and
- (2) the contract is approved by the affirmative vote of at least two-thirds (2/3) of the affected members of the homeowners association.

(c) A board shall give notice of the first homeowner's association meeting held under subsection (b):

- (1) to each member of the homeowners association; and
- (2) at least seven (7) calendar days before the date the meeting occurs.

IC 32-25.5-3-5 Borrowing money; approval by members

Sec. 5. (a) This section does not apply to money borrowed by a homeowners association that is needed to:

- (1) Resolve, settle, or otherwise satisfy an act of enforcement against the homeowners association for violating a state or local law; or
- (2) Address an emergency that affects the public health, safety, or welfare.

(b) A homeowners association may not borrow money during any calendar year on behalf of the homeowners association in an amount that exceeds the greater of:

- (1) five thousand dollars (\$5,000) during any calendar year; or
- (2) if the homeowners association operated under an annual budget in the previous calendar year, an amount equal to at least ten percent (10%) of the previous annual budget of the homeowners association; unless borrowing the money is approved by the affirmative vote of a majority of the members of the homeowners association voting under this section.

(c) A person who owns a lot, parcel, tract, unit, or interest in land in a subdivision may cast one (1) vote under this section for each lot, parcel, tract, unit, or interest in land in the subdivision that is owned by the person unless the governing documents provide for a different voting procedure.

(d) A vote held under this section must be conducted by paper ballot.

(e) A homeowners association shall distribute paper ballots to persons eligible to vote under this section at least thirty (30) days before the date the votes are to be opened and counted.

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(f) Votes cast under this section shall be opened and counted at a public meeting held by the homeowners association.

IC 32-25.5-3-7 Member voting rights

Sec. 7. A homeowners association may not suspend the voting rights of a member for nonpayment of any assessments unless:

- (1) The governing documents provide for suspension; and
- (2) The assessments are delinquent for more than six (6) months.

IC 32-25.5-3-9 Amending governing documents; consents required

Sec. 9. The governing documents must contain a provision allowing the owners to amend the governing documents at any time, from time to time, subject to the following:

- (1) The declarant's consent to an amendment may be required if:
 - (A) the declarant owns one (1) or more units within the subdivision; and
 - (B) not more than seven (7) years have passed since the original governing documents were first recorded.
- (2) The consent of the owners to the amendment has been obtained as evidenced by either of the following:
 - (A) The vote of the owners at a meeting duly called for the purpose of considering the amendment.
 - (B) A written instrument signed by the owners.

The governing documents may not require that the consent of more than seventy-five percent (75%) of the owners is required for consent under this subdivision.

(3) If the consent of first mortgage holders is required, only first mortgage holders that provide an address to the secretary of the board must be notified. The consent of a first mortgage holder must be indicated in a written instrument signed by the mortgage holder. However, a mortgage holder is considered to have consented to a proposed amendment if the mortgage holder does not respond to a written request for consent within thirty (30) days after the mortgage holder receives the request. The governing documents may not require that the consent of more than seventy-five percent (75%) of first mortgage holders eligible to receive notice is required for consent under this subdivision.

(4) Notwithstanding subdivisions (1) through (3), the governing documents may require the approval of at least ninety-five percent (95%) of the owners to convey common areas or to dissolve the plan of governance for the homeowners association.

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IC 32-25.5-3-10 Member meeting proxies; requirements; retention; methods of submission

Sec. 10. (a) This section applies to a proxy given by a member of a homeowners association.

(b) A proxy that does not comply with this subsection is void. A proxy must include all the following:

- (1) the name and address of the member giving the proxy.
- (2) The name of the individual empowered to exercise the member's proxy.
- (3) The date on which the proxy is given.
- (4) The date of the meeting for which the proxy is given.
- (5) The member's signature, whether executed by hand or as an electronic signature.
- (6) An affirmation under the penalties for perjury that the individual signing the proxy has the authority to grant the proxy to the individual named in the proxy to exercise the member's proxy.

(c) A member may state in a proxy that the proxy is limited in its use to specific matters described in the proxy.

(d) A member may give a proxy for the meeting referred to in subsection (b)(4) and any continuation of that meeting, if the proxy states that it expires on a stated date that may not be more than one hundred eighty (180) days after the date on which the proxy is given.

(e) A member may create and use a proxy form designed by the member if the form complies with the requirements of subsection (b).

(f) A proxy, or a copy of the proxy, regardless of whether the copy is a paper copy or an electronic copy that is exercised for any purpose at a meeting must be kept with the records of the meeting.

(g) Notwithstanding subsection (b) (6), a member may submit a proxy that complies with this section by:

- (1) Hand delivery;
- (2) United States mail;
- (3) Facsimile; or
- (4) Electronic mail or other electronic means.

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IC 32-25.5-3-11 Meeting to appoint or elect board members; failure to achieve quorum; authority to enforce governing documents

Sec. 11. (a) If:

(1) a meeting of a homeowners association is called in accordance with the requirements of the homeowners association's governing documents, regardless of whether the meeting is:

(A) an annual meeting;

(B) a special meeting; or

(C) any other meeting called by the board or the members;

(2) a purpose of the meeting is the election or appointment of members of the board of directors of the homeowners association; and

(3) the number of members of the homeowners association in attendance at the meeting does not constitute a quorum as defined in the governing documents of the homeowners association; the members of the board of directors at the time of the meeting may continue to serve until their successors are selected and qualified, regardless of the length of any member's term or the number of terms the member has served.

(b) The failure of a homeowners association to achieve a quorum at a meeting described in subsection (a) does not exempt any member from, or create an affirmative defense for any member with respect to:

(1) the member's obligations under the homeowners association's governing documents; or

(2) the member's obligations to otherwise abide by covenants regulating:

(A) The use of real estate; or

(B) The payment of assessments.

(c) If a homeowners association's governing documents permit both the homeowners association and members of the homeowners association to enforce provisions of the governing documents, the homeowners association has authority both:

(1) As a corporation or an entity; and

(2) As derived from the members of the homeowners association's board; to enforce the governing documents of the homeowners association.

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IC 32-25.5-3.5 Chapter 3.5. Homeowners Association Restrictions on Solar Energy Systems

IC 32-25.5-3.5-1 Applicability

Sec. 1. This chapter does not apply to a solar energy system that has been:

- (1) Approved by a homeowners association; or
- (2) Installed on the dwelling unit or property of a member of a homeowners association; before March 14, 2022.

IC 32-25.5-3.5-2 "Dwelling unit"

Sec. 2. As used in this chapter, "dwelling unit" has the meaning set forth in IC 32-31-5-3.

IC 32-25.5-3.5-3 "Solar energy system"

Sec. 3. As used in this chapter, "solar energy system" means a solar photovoltaic device whose primary purpose is to use solar energy to produce electricity.

IC 32-25.5-3.5-4 Homeowner's petition of other members for approval to install solar energy system; required information; required signatures; presentation to board; denial of request prohibited if requirements met

Sec. 4. (a) This section applies to a homeowner who:

- (1) Seeks to install a solar energy system on the homeowner's dwelling unit or property; and
- (2) Is a member of a homeowners association:
 - (A) The governing documents of which prohibit, restrict, or limit the installation of solar energy systems by members of the homeowners association; or
 - (B) Whose board of directors, architectural review committee, or architectural control committee has denied the homeowner's request to install a solar energy system for a reason not set forth in section 5 of this chapter.

(b) A homeowner to whom this section applies may petition other homeowner's association members for approval to install a solar energy system on the homeowner's dwelling unit or property. A homeowner who chooses to petition other homeowners association members under this section must provide the other members with information regarding:

- (1) The site plan of the solar energy system to be installed, including:
 - (A) The property boundaries;
 - (B) A description of the dwelling unit;
 - (C) The color of the solar energy system; and
 - (D) Any screening to be used in connection with the solar energy system, if the solar energy system is to be installed in a location other than on the roof of the homeowner's dwelling unit;

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(2) The vendor and installer of the solar energy system; and

(3) The plans and specifications for the solar energy system, if requested by the other homeowner's association members.

(c) A homeowner who chooses to petition other homeowner's association members under this section must obtain signatures in an amount equal to at least:

(1) The number of signatures needed to amend the covenants or other governing documents of the homeowners association; or

(2) Sixty-five percent (65%) of the members of the homeowners association; whichever is less. Any provisions in the homeowners association governing documents concerning voting rights and restrictions based on the number of lots owned by a particular homeowner's association member apply to a petition under this section.

(d) Once the homeowner obtains the required number of signatures under subsection (c), the homeowner must present the signatures and information provided in subsection (b) to the homeowner's association board of directors. The board of directors, an architectural review committee, or an architectural control committee of the homeowners association may not deny the homeowner's request to install the solar energy system once the homeowner has obtained the required number of signatures, if the homeowner complied with the requirements provided in this section.

IC 32-25.5-3.5-5 Permitted reasons for homeowners association to prohibit use of, or require removal of, solar energy system

Sec. 5. (a) This section applies to a homeowners association:

(1) The governing documents of which prohibit, restrict, or limit the installation of solar energy systems by members of the homeowners association; or

(2) Whose board of directors, architectural review committee, or architectural control committee seeks to:

(A) Deny a homeowner's request to install a solar energy system; or

(B) Require a homeowner to remove a solar energy system installed by the homeowner.

(b) A homeowners association may prohibit the installation or use of a solar energy system or may require the removal of a solar energy system that has been installed only if one (1) or more of the following apply:

(1) A court has found that the solar energy system threatens public health or safety.

(2) A court has found that the solar energy system violates a law.

(3) The solar energy system has been installed on property owned or maintained by the homeowners association.

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- (4) The solar energy system has been installed on property owned in common by the members of the homeowners association.
- (5) The solar energy system has been installed in a location other than:
- (A) The roof of:
 - (i) The dwelling unit of the homeowner installing the solar energy system; or
 - (ii) Another structure; approved by the homeowners association; or
 - (iii) A fenced yard or patio owned and maintained by the homeowner.
- (6) The solar energy system is mounted on the roof of the dwelling unit of the homeowner installing the solar energy system and:
- (A) Extends above or beyond the roof of the dwelling unit by more than six (6) inches;
 - (B) Does not conform to the slope of the roof and has a top edge that is not parallel to the roof line; or
 - (C) Has a frame, support bracket, or visible piping or wiring that is not in a silver, bronze, or black tone commonly available in the marketplace.
- (7) The solar energy system is mounted on a roof that is:
- (A) Owned by the homeowner; but
 - (B) Maintained by the homeowners association.
- (8) The solar energy system is installed in a fenced yard or patio rather than on the roof of a dwelling unit and is taller than the fence line.
- (9) The solar energy system is installed in a manner that voids material warranties.
- (10) the homeowner installed the solar energy system in a manner that differs significantly from the manner of installation presented to the homeowners association:
- (A) Board of directors;
 - (B) Architectural review committee; or
 - (C) Architectural control committee; if applicable.

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IC 32-25.5-3.7 Chapter 3.7. Homeowners Association Regulation of Beekeeping

IC 32-25.5-3.7-1 "Governing documents"

Sec. 1. As used in this chapter, "governing documents" has the meaning set forth in IC 32-25.5-2-3.

IC 32-25.5-3.7-1.5 "Licensed physician"

Sec. 1.5. As used in this chapter, "licensed physician" has the meaning set forth in IC 16-18-2-202.

IC 32-25.5-3.7-2 Applicability

Sec. 2. This chapter applies only to a homeowners association's adoption or amendment of governing documents after June 30, 2024.

IC 32-25.5-3.7-3 Regulation of beehives

Sec. 3. Except as provided in section 4 of this chapter, and subject to sections 6 and 7 of this chapter, a homeowners association may adopt or amend governing documents to regulate the:

- (1) number; and
- (2) location;

of active beehives that a person may maintain on a property that a person owns, rents, or leases.

IC 32-25.5-3.7-4 Applicability to active beehives at the time of adoption

Sec. 4. This section applies only to a person who has active beehives located on a property before the date the homeowners association adopts or amends the governing documents. This chapter does not allow a homeowners association to prevent a person from maintaining the same:

- (1) number; and
- (2) location;

of active beehives that are on the property before the date the governing documents are adopted or amended.

IC 32-25.5-3.7-5 Regulations

Sec. 5. Any regulation by a homeowners association must be consistent with:

- (1) IC 14-24-8; and
- (2) any rules adopted under IC 14-24-3.

IC 32-25.5-3.7-6 Prohibition on beekeeping; conditions

Sec. 6. A homeowners association may not prohibit a person from beekeeping on a property that the person owns, rents, or leases if both of the following apply:

- (1) The beehives are actively maintained for pollination or the production of honey.
- (2) The person who is beekeeping complies with:
 - (A) IC 14-24-8; and
 - (B) any rules adopted under IC 14-24-3.

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IC 32-25.5-3.7-7 Requirements to limit beekeeping

Sec. 7. A homeowners association may prohibit beekeeping within one hundred (100) feet of a property only if the following conditions are satisfied:

- (1) A person provides documentation from a licensed physician to the homeowners association verifying that the person or a member of the person's household has a bee allergy.
- (2) The person described in subdivision (1) who has the bee allergy resided at the property before another person began beekeeping within one hundred (100) feet of the property.

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IC 32-25.5-4 Chapter 4. Attorney General Actions

IC 32-25.5-4-1 Attorney general's action against association or board member; misappropriation or fraud; proxy violations; budgeting violations

Sec. 1. The attorney general may bring an action against a board of a homeowners association or an individual member of a board of a homeowners association if the attorney general finds that any of the following apply:

- (1) The association's funds have been knowingly or intentionally misappropriated or diverted by a board member.
- (2) A board member has knowingly or intentionally used the board member's position on the board to commit fraud or a criminal act against the association or the association's members.
- (3) A proxy was exercised, or was allowed to be exercised, in violation of IC 32-25.5-3-10.
- (4) A violation of IC 32-25.5-3-3 has occurred.

IC 32-25.5-4-2 Court remedies; imposition of civil penalties; limitations

Sec. 2. (a) A court in which an action is brought under this chapter may do the following:

- (1) Issue an injunction.
 - (2) Order the board member to make restitution to the homeowners association or to a member of the homeowners association.
 - (3) Order a board member to be removed from the board.
 - (4) Order a board member to reimburse the state for the reasonable costs of the attorney general's investigation and prosecution of the violation.
 - (5) Impose a civil penalty on a member of the board of a homeowners association or on another individual, as appropriate, determined by the court to have taken an action described in section 1(1), 1(2), or 1(3) of this chapter.
- (b) A civil penalty imposed under subsection (a)(5) may not exceed five hundred dollars (\$500) for each action described in section 1(1), 1(2), or 1(3) of this chapter that the board member is determined by the court to have taken. The proceeds of a civil penalty imposed under subsection (a) (5) shall be deposited in the state general fund.

IC 32-25.5-5 Chapter 5. Grievance Resolution

IC 32-25.5-5-1 Application of chapter to exempt claims

Sec. 1. This chapter does not apply to an exempt claim unless the parties agree that this chapter is applicable to the exempt claim.

IC 32-25.5-5-2 "Claim"

Sec. 2. (a) As used in this chapter, "claim" refers to any of the following:

- (1) A claim arising out of or relating to the interpretation, application, or enforcement of the governing documents.

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(2) A claim relating to the rights or duties of the homeowners association or the board under the governing documents.

(3) A claim relating to the maintenance of the subdivision.

(4) Any other claim, grievance, or dispute among the parties involving the subdivision or the homeowners association.

(b) The term does not include an exempt claim.

IC 32-25.5-5-3 "Claimant"

Sec. 3. As used in this chapter, "claimant" refers to a party who has a claim against another party.

IC 32-25.5-5-4 "Exempt claim"

Sec. 4. As used in this chapter, "exempt claim" refers to any of the following claims or actions:

(1) A claim by the homeowners association for assessments or dues and any action by the association to collect assessments or dues.

(2) An action by a party to obtain a temporary restraining order or equivalent emergency equitable relief:

(A) To maintain the status quo and preserve the party's ability to enforce the governing documents; or

(B) When an emergency condition exists that jeopardizes the health or safety of any of the residents within the community governed by the homeowners association.

(3) A suit to which an applicable statute of limitations would expire within the notice period. This subdivision does not apply if a party against which the claim is made agrees to toll the statute of limitations as to the claim for the period reasonably necessary to comply with this chapter.

(4) A dispute that is subject to mediation, arbitration, or other alternate dispute resolution under applicable law, contract, warranty agreement, or other instrument.

(5) A claim that is substantively identical to a claim:

(A) That was previously addressed by the parties; or

(B) That was resolved by a judicial determination in favor of one (1) of the parties.

IC 32-25.5-5-5 "Legal proceedings"

Sec. 5. As used in this chapter, "legal proceedings" refers to either of the following:

(1) An action maintained in a court.

(2) An administrative proceeding initiated under an applicable law.

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IC 32-25.5-5-6 "Party"

Sec. 6. As used in this chapter, "party" refers to any of the following:

- (1) The homeowners association.
- (2) A member of the homeowners association.
- (3) The board.

IC 32-25.5-5-7 "Respondent"

Sec. 7. As used in this chapter, "respondent" refers to the party against whom a claimant has a claim.

IC 32-25.5-5-9 Requirements for claimant to begin legal proceedings

Sec. 9. A claimant may not initiate a legal proceeding seeking redress or resolution of a claim until the claimant has complied with the procedures described in this chapter.

IC 32-25.5-5-10 Notice of claim; required information

Sec. 10. A claimant must provide notice of the claim to the respondent, stating plainly and concisely the following information:

- (1) The nature of the claim, including the date, time, location, persons involved, and the respondent's role in the claim.
- (2) The basis of the claim, including the provision of the governing documents or other authority out of which the claim arises.
- (3) What the claimant wants the respondent to do or not to do to resolve the claim.
- (4) That the respondent has a right to meet with the claimant, if the respondent makes a written request for a meeting.
- (5) The name and address of the person from whom the respondent must request a meeting under subdivision (4).

IC 32-25.5-5-11 Negotiation meeting; access to subject property

Sec. 11.(a) This section applies if a respondent has requested a meeting under section 10 of this chapter not later than ten (10) business days after the date of the notice of the claim given under section 10 of this chapter.

(b) The claimant and the respondent shall meet in person to resolve the claim by good faith negotiation, at the time and place agreed to by the claimant and the respondent.

(c) During the meeting, the parties must have full access to the property that is the subject of the claim to inspect the property, if appropriate or necessary. If the respondent agrees to take corrective action, the claimant must provide the respondent and the respondent's agents with full access to the property to take and complete corrective action.

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IC 32-25.5-5-12 Impasse; submission of claim to mediation or binding arbitration; costs of mediator or arbitrator

Sec. 12. (a) The parties are considered to be at an impasse if:

- (1) The respondent does not request a meeting under section 10 of this chapter;
- (2) Either party fails to attend a meeting agreed upon under section 11 of this chapter; or
- (3) The parties are unable to settle the claim at a meeting held under section 11 of this chapter.

(b) Either party may, not later than ten (10) days after an impasse is reached, request in writing to the other party that the other party submit the claim to mediation or binding arbitration.

(c) The party making the request under subsection (b) is responsible for the costs of the mediator or arbitrator.

IC 32-25.5-5-13 Impasse; beginning legal proceedings

Sec. 13. If an impasse is reached and:

- (1) Neither party requests mediation or arbitration; or
- (2) Mediation or arbitration does not result in a settlement of the claim; the claimant may begin legal proceedings.

IC 32-25.5-5-14 Settlement of claim through negotiation, mediation, or arbitration; legal proceedings; recovery of costs

Sec. 14. a) This section applies if a claim is settled through negotiation, mediation, or arbitration.

b) The settlement of the claim must be documented in a written agreement signed by each of the parties.

c) If a party fails to abide by the settlement agreement signed under subsection (b), the other party may begin legal proceedings without again complying with this chapter.

d) If a party who begins legal proceedings under subsection (c) prevails in those legal proceedings, the party is entitled to recover from the other party:

- a. court costs;
- b. attorney's fees; and
- c. All other reasonable costs incurred in enforcing the settlement agreement.

IC 32-25.5-5-15 Effect of release or discharge

Sec. 15. A release or discharge of a respondent from liability to the claimant with respect to the claim does not release or discharge the respondent with respect to any other person who is not a party to the claim.

IC 32-25.5-5-16 Powers of board

Sec. 16. The board, on behalf of the homeowners association, and without the consent of the members of the homeowners association, may do any of the following:

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- (1) Negotiate settlements of claims or legal proceedings under this chapter.
- (2) Execute settlement agreements, waivers, releases of claims, or any other documents resulting from application of this chapter.

IC 32-25.5-5-17 Costs of each party

Sec. 17. Except as otherwise provided in this chapter, each party shall bear its own costs for application of this chapter, including attorney's fees.

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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.

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.

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.

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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.

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;

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- (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;

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- (J) 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.

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;
- (3) of the common areas and facilities;
- (4) expenses agreed upon as common expenses by the association of co-owners; and
- (5) expenses declared common expenses by:
 - (A) this article;
 - (B) the declaration; or
 - (C) the bylaws.

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.

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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.

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).

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).

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.

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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.

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.

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.

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

Sec. 14. "Expandable condominium" means a condominium to which real estate may be added.

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.

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.

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).

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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.

IC 32-25-2-19 "To record"

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

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

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- (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.

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.

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

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(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

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- (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.

IC 32-25-4-3.5 Conveyance or encumbrance of common areas and facilities; application in certain counties

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 two thousand (2,000) and less than two thousand seven hundred eighty (2,780) located in a county having a population of more than forty-six thousand (46,000) and less than forty-six thousand four hundred (46,400).

(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.

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(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.

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;

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- (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 32-25-5 Chapter 5. Conveyance Procedures

IC 32-25-5-1 First conveyance; satisfaction of liens

Sec. 1. (a) At the time of the first conveyance of each condominium unit:

- (1) every mortgage and other lien affecting the condominium unit, including the unit's percentage of undivided interest in the common areas and facilities, must be paid and satisfied of record; or
- (2) the condominium unit being conveyed and the unit's percentage of undivided interest in the common areas and facilities must be released from the mortgage or other lien by partial release.

(b) A partial release under subsection (a)(2) must be recorded.

IC 32-25-5-2 Unpaid assessments; grantee and grantor jointly and severally liable

Sec. 2. (a) Except as provided in subsection (b) or (d), in a voluntary conveyance, the grantee of a condominium unit is jointly and severally liable with the grantor for all unpaid assessments against the grantor for the grantor's share of the common expenses incurred before the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts of common expenses paid by the grantee.

(b) The grantee:

- (1) is entitled to a statement from the association, manager, or board of directors setting forth the amount of the unpaid assessments against the grantor; and
- (2) is not liable for, nor shall the condominium unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth in the statement.

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(c) The grantee may obtain the statement of unpaid assessments described in subsection (b) by making a written request to the association, manager, or board of directors at:

- (1) the last address at which the grantor made a payment of the assessments; or
- (2) the address for the association, manager, or board of directors as listed in the records of the secretary of state.

(d) If the association, manager, or board of directors does not provide, by first class or certified mail, a statement of unpaid assessments not later than ten (10) business days after receipt of the written request, the:

- (1) grantee is not liable for; and
- (2) condominium unit conveyed is not subject to a lien for any unpaid assessments against the grantor.

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

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- (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.

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).

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.

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(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.

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(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 two thousand (2,000) and less than two thousand seven hundred eighty (2,780) located in a county having a population of more than forty-six thousand (46,000) and less than forty-six thousand four hundred (46,400). 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.

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.

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.

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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.

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

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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.

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.

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(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.

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.

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(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 32-25-7-7 Amending declaration; consents required

Sec. 7. The declaration must contain a provision allowing the co-owners to amend the declaration at any time, from time to time, subject to the following:

- (1) The declarant's consent to an amendment may be required if:
 - (A) the declarant owns one (1) or more units within the condominium; and
 - (B) not more than seven (7) years have passed since the original declaration was first recorded.
- (2) The consent of the co-owners to the amendment has been obtained as evidenced by either of the following:
 - (A) The vote of the co-owners at a meeting called for the purpose of considering the amendment.
 - (B) A written instrument signed by the co-owners.

The declaration may not require that the consent of more than seventy-five percent (75%) of the co-owners is required for consent under this subdivision.

- (3) If the consent of first mortgage holders is required, only first mortgage holders that provide an address to the secretary of the board must be notified. The consent of a first mortgage holder must be indicated in a written instrument signed by the mortgage holder. However, a mortgage holder is considered to have consented to a proposed amendment if the mortgage holder does not respond to a written request for consent within thirty (30) days after the mortgage holder receives the request. The governing documents may not require that the consent of more than seventy-five percent (75%) of first mortgage holders eligible to receive notice is required for consent under this subdivision.
- (4) Notwithstanding subdivisions (1) through (3), the declaration may require the approval of at least ninety-five percent (95%) of the co-owners to convey common areas or to dissolve the condominium.

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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.

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.

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- (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. The percentage may not exceed seventy-five percent (75%).
- (12) 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.

IC 32-25-8-2.5 Board of directors meetings; co-owners entitled to attend; permissible private meetings; availability of meeting minutes

Sec. 2.5. (a) A co-owner of the condominium is entitled to attend any meeting of the board of directors of the condominium, including the annual meeting. However, the board of directors may meet in private to discuss delinquent assessments. The board of directors may also meet in private with legal counsel to discuss the initiation of litigation, or to discuss litigation that either is pending or has been threatened specifically in writing. As used in this subsection, "litigation" includes any judicial action or administrative law proceeding under state or federal law.

(b) The minutes of meetings of the board of directors of a condominium, including the annual meeting, must be made available to a co-owner of the condominium for inspection upon request. The requesting co-owner may make a request to inspect the minutes:

- (1) in person;
- (2) in writing; or
- (3) by electronic mail.

The association of co-owners may charge the requesting co-owner a reasonable copying fee if the co-owner requests a written copy of the minutes.

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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.

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).

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(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.

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.

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.

IC 32-25-8-6.5 Condominium association distributing water or sewer service; not considered public utility

Sec. 6.5. (a) As used in this section, "condominium association" refers to:

- (1) the association of co-owners (as defined in IC 32-25-2-2);
- (2) the board of directors; or
- (3) the manager or managing agent; for a condominium that is subject to this article.

(b) A condominium association that distributes water or sewage disposal service from a water or sewer utility to one (1) or more condominium units is not a public utility solely by reason of engaging in this activity if the condominium association complies with IC 8-1-2-1.2.

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.

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(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.

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.

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.

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(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.

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.

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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.

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.

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.

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(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.

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.

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
- (3) prospective buyer.

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.

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(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 32-25-8.5 Chapter 8.5. Grievance Resolution

IC 32-25-8.5-1 Application of chapter to exempt claims

Sec. 1. This chapter does not apply to an exempt claim unless the parties agree that this chapter is applicable to the exempt claim.

IC 32-25-8.5-2 "Board"

Sec. 2. As used in this chapter, "board" refers to the board of directors of an association of co-owners of a condominium.

IC 32-25-8.5-3 "Claim"

Sec. 3. (a) As used in this chapter, "claim" refers to any of the following:

- (1) A claim arising out of, or relating to, the interpretation, application, or enforcement of the condominium instruments.
- (2) A claim relating to the rights or duties of the association of co-owners or the board under the condominium instruments.
- (3) A claim relating to the maintenance of the condominium.
- (4) Any other claim, grievance, or dispute among the parties involving the condominium.

(b) The term does not include an exempt claim.

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IC 32-25-8.5-4 "Claimant"

Sec. 4. As used in this chapter, "claimant" refers to a party who has a claim against another party.

IC 32-25-8.5-5 "Exempt claim"

Sec. 5. As used in this chapter, "exempt claim" refers to any of the following claims or actions:

- (1) A claim by the association of co-owners for assessments or dues and any action by the association to collect assessments or dues.
- (2) An action by a party to obtain a temporary restraining order or equivalent emergency equitable relief:
 - (A) to maintain the status quo and preserve the party's ability to enforce the condominium instruments; or
 - (B) when an emergency condition exists that jeopardizes the health or safety of any of the residents within the condominium community.
- (3) A suit to which an applicable statute of limitations would expire within the notice period. This subdivision does not apply if a party against which the claim is made agrees to toll the statute of limitations as to the claim for the period reasonably necessary to comply with this chapter.
- (4) A dispute that is subject to mediation, arbitration, or other alternate dispute resolution under applicable law, contract, warranty agreement, or other instrument.
- (5) A claim that is substantively identical to a claim:
 - (A) that was previously addressed by the parties; or
 - (B) which was resolved by a judicial determination in favor of one (1) of the parties.

IC 32-25-8.5-6 "Legal proceedings"

Sec. 6. As used in this chapter, "legal proceedings" refers to either of the following:

- (1) An action maintained in a court.
- (2) An administrative proceeding initiated under an applicable law.

IC 32-25-8.5-7 "Party"

Sec. 7. As used in this chapter, "party" refers to any of the following:

- (1) The association of co-owners.
- (2) A co-owner.
- (3) The board.

IC 32-25-8.5-8 "Respondent"

Sec. 8. As used in this chapter, "respondent" refers to the party against whom a claimant has a claim.

IC 32-25-8.5-9 Repealed

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IC 32-25-8.5-10 Requirements for claimant to begin legal proceedings

Sec. 10. A claimant may not begin legal proceedings seeking redress or resolution of a claim until the claimant has complied with the procedures described in this chapter.

IC 32-25-8.5-11 Notice of claim; required information

Sec. 11. A claimant shall provide notice of the claim to the respondent, stating plainly and concisely the following information:

- (1) The nature of the claim, including the date, time, location, persons involved, and the respondent's role in the claim.
- (2) The basis of the claim, including the provision of the condominium instruments or other authority out of which the claim arises.
- (3) What the claimant wants the respondent to do or not to do to resolve the claim.
- (4) That the respondent has a right to meet with the claimant, if the respondent makes a written request for a meeting.
- (5) The name and address of the person from whom the respondent must request a meeting under subdivision (4).

IC 32-25-8.5-12 Negotiation meeting; access to subject property

Sec. 12. (a) This section applies if a respondent has requested a meeting under section 11 of this chapter not later than ten (10) business days after the date of the notice of the claim given under section 11 of this chapter.

(b) The claimant and the respondent shall meet in person to resolve the claim by good faith negotiation, at the time and place agreed to by the claimant and the respondent.

(c) During the meeting, the parties must have full access to the property that is the subject of the claim to inspect the property, if appropriate or necessary. If the respondent agrees to take corrective action, the claimant must provide the respondent and the respondent's agents with full access to the property to take and complete corrective action.

IC 32-25-8.5-13 Impasse; submission of claim to mediation or binding arbitration; costs of mediator or arbitrator

Sec. 13. (a) The parties are considered to be at an impasse if:

- (1) the respondent does not request a meeting under section 11 of this chapter;
- (2) either party fails to attend a meeting agreed upon under section 12 of this chapter; or
- (3) the parties are unable to settle the claim at a meeting held under section 12 of this chapter.

(b) Either party may, not later than ten (10) days after an impasse is reached, request in writing that the other party submit the claim to mediation or binding arbitration.

(c) The party making the request under subsection (b) is responsible for the costs of the mediator or arbitrator.

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IC 32-25-8.5-14 Impasse; beginning legal proceedings

Sec. 14. If an impasse is reached and:

- (1) neither party requests mediation or arbitration; or
- (2) mediation or arbitration does not result in a settlement of the claim; the claimant may begin legal proceedings.

IC 32-25-8.5-15 Settlement of claim through negotiation, mediation, or arbitration; legal proceedings; recovery of costs

Sec. 15. (a) This section applies if a claim is settled through negotiation, mediation, or arbitration.

(b) The settlement of the claim must be documented in a written agreement signed by each of the parties.

(c) If a party fails to abide by the settlement agreement signed under subsection (b), the other party may begin legal proceedings without again complying with this chapter.

(d) If a party who begins legal proceedings under subsection (c) prevails in those legal proceedings, the party is entitled to recover from the other party:

- (1) court costs;
- (2) attorney's fees; and
- (3) all other reasonable costs incurred in enforcing the settlement agreement.

IC 32-25-8.5-16 Effect of release or discharge

Sec. 16. A release or discharge of a respondent from liability to the claimant with respect to the claim does not release or discharge the respondent with respect to any other person who is not a party to the claim.

IC 32-25-8.5-17 Powers of board

Sec. 17. The board, on behalf of the association of co-owners, and without the consent of the co-owners, may do any of the following:

- (1) Negotiate settlements of claims or legal proceedings under this chapter.
- (2) Execute settlement agreements, waivers, releases of claims, or any other document resulting from application of this chapter.

IC 32-25-8.5-18 Costs of each party

Sec. 18. Except as otherwise provided in this chapter, each party shall bear its own costs for application of this chapter, including attorney's fees.

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;

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- (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.

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.

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IC 32-28-14-1 "Common expenses"

Sec.1. As used in this chapter, "common expenses" means:

- (1) All sums lawfully assessed against a subdivision by a homeowners association;
- (2) Expenses of:
 - (A) administration;
 - (B) maintenance;
 - (C) repair; or
 - (D) replacement; of subdivision common areas and facilities;
- (3) Expenses agreed upon as common expenses by a homeowners association; and
- (4) Expenses declared common expenses by the bylaws or another written instrument of a homeowners association.

IC 32-28-14-2 "Homeowners association"

Sec.2. As used in this chapter, "homeowners association" means all the owners of real estate in a subdivision acting as an entity in accordance with any:

- (1) bylaws;
- (2) covenants; or
- (3) Other written instruments; of the homeowners association.

IC 32-28-14-3 "Real estate"

Sec.3. As used in this chapter, "real estate" means a right, a title, or an interest in real property.

IC 32-28-14-4 "Subdivision"

Sec.4. As used in this chapter, "subdivision" means the division of a parcel of land into lots, parcels, tracts, units, or interests in the manner defined and prescribed by a subdivision control ordinance adopted by a legislative body under IC 36-7-4.

IC 32-28-14-5 Homeowners association lien; notice of lien requirements

Sec.5. (a) All sums assessed by a homeowners association but unpaid for the share of the common expenses chargeable to an owner of real estate in a subdivision constitute a homeowners association lien on the real estate effective as provided in section 6 of this chapter.

(b) The priority of a homeowner's association lien is established on the date the notice of the lien is recorded under section 6 of this chapter.

(c) A notice of lien may not be recorded under subsection (a) unless the notice of lien:

(1) Contains:

(A) the name and address of the homeowners association;



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(B) the address and legal description of the property that is subject to the lien;

(C) the name of the owner of the property that is subject to the lien; and

(D) the amount of the lien; and

(2) Is:

(A) signed by an officer of the homeowners association; and

(B) Acknowledged as in the case of deeds.

IC 32-28-14-6 Lien attaches upon recording of notice of lien

Sec.6. (a) A homeowner's association lien under this chapter attaches to real estate upon the recording of a notice of lien by the homeowners association in the office of the recorder of the county in which the real estate is located.

(b) A homeowner's association lien under this chapter attaches on the date of the recording of the notice of the lien under subsection (a) and does not relate back to:

(1) a date specified in the bylaws, the covenants, or another written instrument of the homeowners association; or

(2) The date the common expenses were assessed.

IC 32-28-14-7 Liability for unpaid assessment

Sec.7. (a) Except as provided in subsection (b), in a voluntary conveyance, the grantee of real estate is jointly and severally liable with the grantor for all unpaid assessments against the grantor for the grantor's share of the common expenses incurred before the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts of common expenses paid by the grantee.

(b) The grantee:

(1) is entitled to a statement from the manager, board of directors, or other governing authority of the homeowners association that sets forth the amount of the unpaid assessments against the grantor; and

(2) is not liable for, and the real estate conveyed is not subject to a homeowners association lien for, any unpaid assessments against the grantor unless the lien for unpaid assessments is recorded under section 6 of this chapter before recording the deed by which the grantee takes title.

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

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IC 32-28-14-8 Time limit for enforcing lien

Sec.8. (a) A homeowners association may enforce a homeowners association lien by filing a complaint in the circuit or superior court of the county where the real estate that is the subject of the lien is located. The complaint:

- (1) May not be filed earlier than ninety (90) days, unless:
 - (A) another person files a foreclosure action on the property that is the subject of the lien; or
 - (B) a person files written notice to file an action to foreclose the lien under section 9(a)(1) of this chapter; and
- (2) Must be filed not later than five (5) years;

After the date the statement and notice of intention to hold a lien was recorded under section 6 of this chapter.

- (A) If a lien is not enforced within the time set forth in subsection (a), the lien is void.
- (B) If a lien is foreclosed under this chapter, the court rendering judgment shall order a sale to be made of the real estate subject to the lien.

IC 32-28-14-9 Voiding of lien for failure to foreclose

Sec.9. (a) A homeowner's association lien under this chapter is void if both of the following occur:

- (1) The owner of the real estate subject to the homeowner's association lien or any person or corporation having an interest in the real estate, including a mortgagee or a lien holder, provides written notice to the owner or holder of the lien to file an action to foreclose the lien.
- (2) The owner or holder of the lien fails to file an action to foreclose the lien in the county where the real estate is located within one (1) year after the date the owner or holder of the lien received the notice described in subdivision (1).

However, this section does not prevent the claim from being collected as other claims are collected by law.

(b) A person who gives notice under subsection (a)(1) by registered or certified mail to the owner or holder of the homeowners association lien at the address given in the recorded statement may file an affidavit of service of the notice to file an action to foreclose the lien with the recorder of the county in which the real estate is located. The affidavit must state the following:

- (1) The facts of the notice.
- (2) That more than one (1) year has passed since the notice was received by the owner or holder of the lien.
- (3) That an action for foreclosure of the lien is not pending.
- (4) That an unsatisfied judgment has not been rendered on the lien.



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(c) The recorder shall record the affidavit of service in the miscellaneous record book of the recorder's office. When the recorder records the affidavit under this subsection, the real estate described in the homeowner's association lien is released from the lien.

(d) An affidavit recorded under subsection (c) must cross reference the lien.

**DISPLAY OF POLITICAL SIGNS ON PROPERTY SUBJECT TO RESTRICTIVE
COVENANTS OR HOMEOWNERS ASSOCIATION RULES**

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Political activity on homeowners association property may not be prohibited; exception 3

**DISPLAY OF POLITICAL SIGNS ON PROPERTY SUBJECT TO RESTRICTIVE
COVENANTS OR HOMEOWNERS ASSOCIATION RULES**

IC 32-21-13 et. seq.

IC 32-21-13-1 Application of election law definitions

Sec.1. The definitions in IC 3-5-2 apply to this chapter.

IC 32-21-13-2 "Rules"

Sec.2. As used in this chapter, "rules" refers to any of the following:

- (1) A restrictive covenant.
- (2) A homeowners association rule.

IC 32-21-13-3 "Sign"

Sec.3. As used in this chapter, "sign" refers only to a sign advocating:

- (1) The election or defeat of one (1) or more candidates for:
 - (1) nomination; or
 - (2) election;to a public office;
- (2) Support for or opposition to:
 - (1) a political party; or
 - (2) a political party's candidates; or
 - (3) The approval or disapproval of a public question.

IC 32-21-13-4 Prohibition on homeowner association adoption or enforcement of rules relating to display of political signs; exceptions

Sec.4. Except as provided in section 5 of this chapter, a homeowners association may not adopt or enforce a rule that prohibits a member of the homeowners association from displaying a sign on the member's property during the period:

- (1) beginning thirty (30) days before; and
- (2) ending five (5) days after;

The date of the election to which the sign relates.

IC 32-21-13-5 Permissible rules relating to display of political signs

Sec.5. A homeowners association may adopt and enforce rules relating to a sign described in section 3 of this chapter if the rules do any of the following:

- (1) Restrict the size of a sign if the rule permits a homeowner to display a sign that is at least as large as signs commonly displayed during election campaigns.
- (2) Restrict the number of signs that may be displayed if the rule permits a homeowner to display a reasonable number of signs.

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(3) Restrict the locations where a sign may be displayed. However, a restriction under

This subdivision may not prohibit the display of a sign:

- (A) In a window on the homeowner's property; or
- (B) On the ground that is part of the homeowner's property.

IC 32-21-13-6 Homeowners association may remove sign that violates permitted rules

Sec.6. A homeowners association may remove a sign that violates the rules permitted by this chapter.

IC 32-21-13-7 Political activity on homeowners association property may not be prohibited; exception

Sec.7. (a) This section does not apply to homeowners association property if:

- (1) access to the property from the outside is controlled by gates or other means; and
- (2) The common areas, including roads and sidewalks, are privately owned and maintained.

(b) As used in this section, "homeowner's association property" refers to real property owned by any of the following:

- (1) A member of the homeowners association.
- (2) The homeowners association.
- (3) The members of the homeowners association in common.

(c) A homeowners association may not adopt or enforce a rule or covenant that prohibits, or has the effect of prohibiting:

- (1) A candidate;
- (2) An individual who holds an elected office;
- (3) The spouse of a candidate or individual who holds an elected office; or
- (4) A volunteer worker of a candidate or individual who holds an elected office; from entering onto homeowner's association property for purposes of conducting political activity.

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