

**IC 32-1-6**  
**Chapter 6. Horizontal Property Law**

Information Maintained by the Office of Code Revision Indiana Legislative Services  
Agency

**IC 32-1-6-1**

**Sec. 1.** This chapter shall be known as the "Horizontal Property Law."  
*(Formerly: Acts 1963, c.349, s.1.) As amended by Acts 1977, P.L.308, SEC.1.*

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Sec. 2. As used in this chapter:

(a) "Condominium" means real estate lawfully subjected to this chapter by the recordation of condominium instruments, and is the equivalent of the term "horizontal property regime." Real estate is not a condominium within the meaning of this chapter unless the undivided interests in the common areas and facilities are vested in the condominium unit owners.

(b) "Condominium instruments" means the declaration, bylaws and plats and floor plans of the condominium together with any exhibits or schedules thereto.

(c) "Condominium unit" means an enclosed space consisting 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 it be designed for residence, for office, for the operation of any industry or business, or for any other type of independent use, with either a direct exit to a public street or highway or an exit to a thoroughfare or to a given common space leading to a thoroughfare, together with the undivided interest in the common elements appertaining to that unit of space.

(d) "Contractable condominium" means a condominium from which one (1) or more portions of the subjected real estate may be withdrawn.

(e) "Co-owner" means a person who owns a condominium unit in fee simple and an undivided interest in the common areas and facilities in the percentage specified and established in the declaration.

(f) "Association of co-owners" means all of the co-owners as defined in subsection (e) of this section acting as an entity in accordance with the articles, by-laws and declaration.

(g) "Building" means a structure containing two (2) or more condominium units, or two (2) or more structures containing one (1) or more condominium units.

(h) "Common areas and facilities", unless otherwise provided in the declaration or lawful amendments thereto, means:

- (1) the land on which the building is located;
- (2) the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building;
- (3) the basements, yards, gardens, parking areas, storage spaces, swimming pools and other recreational facilities;
- (4) the premises for the lodging of janitors or persons in charge of the property;
- (5) installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;
- (6) the elevators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;
- (7) such community and commercial facilities as may be provided for in the

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declaration; and

(8) all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

(i) "Common expenses" means:

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

(2) expenses of administration, maintenance, repair or replacement of the common areas and facilities;

(3) expenses agreed upon as common expenses by the association of co-owners; and

(4) expenses declared common expenses by provisions of this chapter, or by the declaration or the bylaws.

(j) "Common profits" means the balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.

(k) "Declarant" means any person who executes or proposes to execute a declaration or any person who executes an amendment to a declaration to expand an expandable condominium.

(l) "Declaration" means the instrument by which the property is submitted to the provisions of this chapter, and such declaration as from time to time it may be lawfully amended.

(m) "Expandable condominium" means a condominium to which real estate may be added.

(n) "Limited common areas and facilities" means those common areas and facilities designated in the declaration as reserved for use of a certain condominium unit or condominium units to the exclusion of the other condominium units.

(o) "Majority" or "majority of co-owners" means the co-owners with fifty-one percent (51%) or more of the votes in accordance with the percentages assigned in the declaration to the condominium units for voting purposes.

(p) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(q) "Property" means the land, the building, all improvements and structures thereon, and all easements, rights and appurtenances pertaining thereto.

(r) "To record" means to record in accordance with the laws of this state.

(s) "Unit number" means the number, letter, or combination thereof, designating the condominium unit in the declaration.

*(Formerly: Acts 1963, c.349, s.2; Acts 1965, c.96, s.1.) As amended by Acts 1977, P.L.308, SEC.2.*

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**IC 32-1-6-3**

Sec. 3. This chapter shall be applicable only to property, the sole owner or all of the owners of which submit the property to this chapter by duly executing and recording a declaration as provided in this chapter.

*(Formerly: Acts 1963, c.349, s.3.) As amended by Acts 1977, P.L.308, SEC.3.*

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Sec. 4. Each condominium unit, together with its undivided interest in the common areas and facilities, shall for all purposes constitute real property.

*(Formerly: Acts 1963, c.349, s.4.) As amended by Acts 1977, P.L.308, SEC.4.*

**IC 32-1-6-5**

Sec. 5. Once the property has been submitted to the horizontal property regime, each condominium unit owner shall be seized of the fee simple title to and the exclusive ownership and possession of his condominium unit and undivided interest in the common areas and facilities. A condominium unit may be individually conveyed and encumbered and may be the subject of ownership, possession or sale and of all types of juridic acts inter vivos or causa mortis, as if it were sole and entirely independent of the other condominium units in the building of which it forms a part, and the corresponding individual titles and interests shall be recordable.

*(Formerly: Acts 1963, c.349, s.5; Acts 1965, c.96, s.2.) As amended by Acts 1977, P.L.308, SEC.5.*

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Sec. 6. Any condominium unit may be held and owned by more than one person as joint tenants, as tenants in common, as tenants by the entirety or in any other real property tenancy relationship recognized under the law of the state of Indiana.

*(Formerly: Acts 1963, c.349, s.6.) As amended by Acts 1977, P.L.308, SEC.6.*

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**IC 32-1-6-7**

Sec. 7. (a) Each condominium unit owner shall be entitled to an undivided interest in the common areas and facilities as designated in the declaration and, except for expandable condominiums, shall be expressed as a percentage interest based on either:

- (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 interest to each condominium unit.

An undivided interest allocated to each condominium unit in accordance with this subsection shall be indicated in a schedule of undivided interests in the declaration. However, if the declaration does not specify the method of allocating the percentage interest, subdivision (3) shall apply. The total undivided interests allocated in accordance with subdivision (1) or (2) must equal one hundred percent (100%).

(b) When the condominium is an expandable condominium the declaration may not allocate undivided interest in the common area on the basis of value unless the declaration:

- (1) prohibits the creation of any condominium units not substantially identical to the condominium units depicted on the recorded plans of the declaration; or
- (2) prohibits the creation of any condominium units not described in the initial declaration and contains from the outset a statement on the value that shall be assigned to each condominium unit that may be created.

(c) Interest 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 them are recorded. Simultaneously with the recording of such plats and plans, the declarant shall 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 shall 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 otherwise provided in section 15 of this chapter, the undivided interest of the owner of the condominium unit in the common areas and facilities, as expressed in the declaration, shall be permanent and may not be altered without the consent of the co-owners, which consent to alteration is stated in an amended declaration and duly recorded. In addition, the 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 shall be considered to be conveyed or encumbered with the condominium unit to which it appertains even though such interest is not expressly mentioned or described in the conveyance or other instrument.

(e) The common areas and facilities shall remain undivided and no condominium unit owner or any other person shall bring any action for partition or division of any part thereof, unless the property has been removed from the provisions of this chapter as provided in sections 21 and 28 of this chapter. Any covenant to the contrary shall be null and void.

(f) Each condominium unit owner may use the common areas and facilities in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other co-owners.

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(g) The necessary work of maintenance, repair and replacement of the common areas and facilities and the making of any additions or improvements thereto shall be carried out only as provided herein and in the by-laws.

(h) The association of condominium unit owners shall have 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 may be necessary for the maintenance, repair or replacement of any of the common areas and facilities therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common areas and facilities or to another condominium unit.

*(Formerly: Acts 1963, c.349, s.7.) As amended by Acts 1977, P.L.308, SEC.7.*

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**IC 32-1-6-8**

Sec. 8. Each condominium unit owner shall comply with the articles of incorporation or association, bylaws, any administrative rules and regulations adopted pursuant thereto, and with the covenants, conditions, and restrictions set forth in the declaration or in the deed to his condominium unit. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or for any other legal or equitable relief maintainable by the manager or board of directors on behalf of the association of co-owners or, in a proper case, by an aggrieved co-owner. The association of co-owners may be organized as a nonprofit corporation under IC 23-7-1.1 (before its repeal August 1, 1991) or IC 23-17 or as an unincorporated association.

*(Formerly: Acts 1963, c.349, s.8; Acts 1965, c.96, s.3.) As amended by Acts 1977, P.L.308, SEC.8; P.L.3-1990, SEC.107; P.L.179-1991, SEC.30; P.L.96-1993, SEC.18.*

**IC 32-1-6-9**

Sec. 9. No condominium unit owner may make any alteration or structural change which would jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement or hereditament without in every such case the unanimous consent of all the other co-owners being first obtained.

*(Formerly: Acts 1963, c.349, s.9.) As amended by Acts 1977, P.L.308, SEC.9.*

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**IC 32-1-6-10**

Sec. 10. (a) Subsequent to recording the declaration as provided in this chapter, and while the property remains subject to this chapter, no lien may thereafter arise or be effective against the property as a whole. Liens or encumbrances may arise or be created only against each condominium unit and the undivided interest in the common areas and facilities appurtenant to such 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. However, no labor performed or materials furnished with the consent or at the request of a condominium unit owner, or his agent or his contractor or subcontractor, may be the basis for the filing of a lien pursuant to any lien law against the condominium unit or any other property of any other co-owner not expressly consenting to or requesting the same, except that such express consent shall be deemed to be given by the owner of any condominium unit in the case of emergency repairs thereto. Labor performed or materials furnished for the common areas and facilities, if duly authorized by the association of co-owners, the manager or board of directors in accordance with this chapter, the declaration or by-laws, shall be deemed to be performed or furnished with the express consent of each co-owner and shall be the basis for the filing of a lien pursuant to any lien law against each of the condominium units and shall be subject to subsection (b) of this section.

(b) In the event a lien against two (2) or more condominium units becomes effective, the owners of the condominium units may remove their unit and their undivided interest in the common areas and facilities appurtenant to such unit from the lien by payment of the fractional or proportional amounts attributable to each of the units affected. Subsequent to any such payment, discharge or other satisfaction the condominium unit and the undivided interest in the common areas and facilities appurtenant thereto shall be free and clear of the lien. A partial payment, satisfaction or discharge may not prevent the lienholder from proceeding against any condominium unit and the undivided interest in the common areas and facilities appurtenant thereto still subject to the lien.

*(Formerly: Acts 1963, c.349, s.10; Acts 1965, c.96, s.4.) As amended by Acts 1977, P.L.308, SEC.10.*

**IC 32-1-6-11**

Sec. 11. The common profits of the property shall be credited to, and the common expenses shall be charged to, the condominium unit owners according to the percentage of the undivided interest in the common areas and facilities.

*(Formerly: Acts 1963, c.349, s.11.) As amended by Acts 1977, P.L.308, SEC.11.*

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**IC 32-1-6-12**

Sec. 12. (a) The owner of the land on which a horizontal property regime is being declared shall record with the recorder of the county in which the land is situated a declaration containing the following particulars:

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

(2) Description of the building, stating the number of stories and basements, and the number of condominium units.

(3) Description of the common areas and facilities.

(4) 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) Provision as to the percentage of votes by the condominium unit owners which shall be determinative of whether to rebuild, repair, restore, or sell the property in the event of damage or destruction of all or part of the property.

(7) Any covenants and restrictions in regard to the use of the condominium units and common areas and facilities.

(8) Any further details in connection with the property which the person executing the declaration may deem desirable to set forth consistent with this chapter.

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

(b) A true copy of the by-laws shall be annexed to the declaration and made a part thereof.

(c) The record of the declaration shall contain a reference to the book, page and date of record of the floor plans of the building affected thereby.

*(Formerly: Acts 1963, c.349, s.12; Acts 1965, c.96, s.5.) As amended by Acts 1977, P.L.308, SEC.12.*

**IC 32-1-6-12.1**

Sec. 12.1. If a condominium is an expandable condominium, the declaration shall contain, in addition to the matters specified in section 12 of this chapter:

(1) a general plan of development showing the property being subjected to the horizontal property regime and areas into which expansion may be made, and the maximum number of condominium units in additional phases which may be added;

(2) a schedule or formula for determining the percentage of undivided interests in the common areas and facilities which 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 horizontal property regime. If additional phases are not developed within five (5) years from the recordation of the declaration, the development of additional phases may not be considered to be a common scheme and development of the entire condominium.

*As added by Acts 1977, P.L.308, SEC.13.*

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**IC 32-1-6-12.2**

Sec. 12.2. If a condominium is a contractable condominium, the declaration shall contain, in addition to matters specified in section 12 of this chapter:

(1) an explicit reservation of an option to contract the condominium, together with a statement of any limitations on that option;

(2) a time limit, not exceeding ten (10) years from the recording of the declaration, upon which the option to contract the condominium will expire, together with a statement of any circumstances that will terminate the option before the expiration of the time limit;

(3) a legally sufficient description of all withdrawable land; and

(4) a statement as to whether portions of the withdrawable land may be withdrawn from the condominium at different times, together with a statement of any limitations fixing the boundaries of those portions or regulating the order in which they may be withdrawn.

*As added by Acts 1977, P.L.308, SEC.14.*

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**IC 32-1-6-13**

Sec. 13. Simultaneously with the recording of the declaration there shall be filed in the office of the county recorder a set of the floor plans of the condominium or building with relation to lot lines and showing the layout, elevation, location, unit numbers and dimensions of the condominium units, stating the name of the condominium or building or that it has no name, and bearing the verified statement of a registered architect or licensed professional engineer certifying that it 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. If such plans do not include a verified statement by such architect or engineer that such plans fully and accurately depict the layout, location, unit numbers and dimensions of the condominium units as built, there shall be recorded prior to the first conveyance of any condominium unit an amendment to the declaration to which shall be attached a verified statement of a registered architect or licensed professional engineer certifying that the plans theretofore filed, or being filed simultaneously with such amendment, fully and accurately depict the layout, location, unit numbers and dimensions of the condominium units as built. Such plans shall be kept by the recording officer in a separate file for each building, indexed in the same manner as a conveyance entitled to record, numbered serially in the order of receipt, each designated "condominium unit ownership", with the name of the building, if any, and each containing a reference to the book, page and date of recording of the declaration. Correspondingly, the record of the declaration shall contain a reference to the file number of the floor plans of the building affected thereby.

*(Formerly: Acts 1963, c.349, s.13; Acts 1965, c.96, s.6.) As amended by Acts 1977, P.L.308, SEC.15.*

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**IC 32-1-6-14**  
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Sec. 14. (a) Each condominium unit in a building shall be designated, on the plans referred to in section 13 of this chapter, by letter or number or other appropriate designation, and any instrument recognized by this state for the conveyance or transfer of interests in title, which describes the apartment by using said letter or number followed by the words "in (name) Horizontal Property Regime as recorded in Book \_\_\_\_\_, p. \_\_\_\_, under the date of \_\_\_\_\_, \_\_\_\_\_, of the records of \_\_\_\_\_ County, Indiana" shall be deemed to contain a good and sufficient description for all purposes. Any conveyance or transfer of interest in title of a condominium unit shall be deemed 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 it. The contents, form, method of preparation, recording of said instruments of conveyance and interpretation thereof shall be governed by the law of this state relating to real property. Each instrument or deed of conveyance also shall include the following particulars:

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

(b) Failure to make a statement in the deed as required by subdivision (a)(3) of this section does not invalidate the title conveyed by the deed, nor does it 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. Upon the request of any condominium unit owner, prospective grantee, title insurance company, or 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.  
*(Formerly: Acts 1963, c.349, s.14.) As amended by Acts 1977, P.L.308, SEC.16.*

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**IC 32-1-6-15**

Sec. 15. (a) The declaration, any amendment or amendments thereof, any instrument by which the provisions of this chapter may be waived, and every instrument affecting the property or any condominium unit shall be recorded. Neither the declaration nor any amendment thereof may be valid unless recorded.

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

(c) In addition to the records and indexes required to be maintained by the recording officer, the recording officer shall maintain an index or indexes whereby the record of each declaration contains a reference to the record of each conveyance of a condominium unit affected by such declaration, and the record of each conveyance of a condominium unit contains a reference to the declaration of the building of which such condominium unit is a part.

*(Formerly: Acts 1963, c.349, s.15.) As amended by Acts 1977, P.L.308, SEC.17.*

**IC 32-1-6-15.1**

Sec. 15.1. (a) Subject to the provisions of 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) of this section is executed in the manner described by section 15 of this chapter. The expansion is effective when the instruments required by subsection (b) of this section are recorded.

(b) In expanding the condominium the declarant shall prepare, execute, and record amendments to the condominium instruments and record new plats and plans pursuant to sections 12 and 13 of this chapter. 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 in accordance with section 7 of this chapter.

*As added by Acts 1977, P.L.308, SEC.18.*

**IC 32-1-6-15.2**

Sec. 15.2. (a) If the declaration for a horizontal property regime is in conformity with section 12.1 of this chapter, it shall be presumed that any owner of a condominium unit in that horizontal property regime has consented to the changes in the percentage of undivided interest in the common areas and facilities appertaining to his unit. However, any owner of a condominium unit who entered an agreement to purchase that unit prior to the recordation of the declaration may not be presumed to have made consent to such changes unless he was provided a copy of the expansion provisions or the declaration and made a written acknowledgement of the receipt of the provisions prior to his entering the purchase agreement.

(b) The reallocation of percentage of undivided interests in the common areas and facilities shall vest when the amendment to the declaration incorporating those changes has been recorded.

(c) When the amendment to the declaration incorporating the addition of condominium units or expansion of common areas and facilities, or both, is recorded, all liens including, but not limited to, mortgage liens shall be released as to the percentage of

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undivided interests in the common areas and facilities described in the declaration and shall attach to the reallocated percentage of undivided interests in the common areas and facilities as though the liens had attached to those percentage interests on the date of the recordation of the mortgage. 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 and liens upon the recordation of the amendment to the declaration.

*As added by Acts 1977, P.L.308, SEC.19.*

**IC 32-1-6-15.3**

Sec. 15.3. (a) Subject to the provisions of the declaration, condominium instruments and this chapter, a declarant may withdraw withdrawable land from a contractable condominium unless prohibited by subsection (c) of this section. The contraction is effective when the instruments required by subsection (b) of this section are recorded.

(b) In contracting the condominium, the declarant shall prepare, execute, and record an amendment to the declaration and condominium instruments containing a legally sufficient description of the land being withdrawn and stating the fact of withdrawal.

(c) If a portion of the withdrawable land was described pursuant to section 12.2(4) of this chapter, that portion may not be withdrawn if any person other than the declarant owns a condominium unit situated therein. If no such portion is so described, none of the withdrawable

land shall be withdrawn if any person other than the declarant owns a condominium unit situated therein.

*As added by Acts 1977, P.L.308, SEC.20.*

**IC 32-1-6-15.4**

Sec. 15.4. Subject to any restrictions and limitations in the condominium instruments, the declarant shall have a transferable easement over and upon the common areas and facilities for the purpose of making improvements within the condominium or additional real estate pursuant to the provisions of those instruments and this chapter, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

*As added by Acts 1977, P.L.308, SEC.21.*

**IC 32-1-6-15.5**

Sec. 15.5. Whenever a declarant reserves an option in the declaration to not expand the condominium, the declarant shall make a full disclosure of this right to every prospective buyer in writing before the buyer enters an agreement to purchase a condominium unit, and the declarant shall obtain and retain an instrument acknowledging receipt of the disclosure by the prospective buyer.

*As added by Acts 1977, P.L.308, SEC.22.*

**IC 32-1-6-15.6**

Sec. 15.6. The declarant may maintain sales offices, management offices and model condominium units in the condominium only if the condominium instruments provide for them and specify the rights of the declarant with regard to the number, size, location, and relocation thereof. Any sales office, management office, or model condominium unit

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which is not designated a condominium unit by the condominium instruments becomes part of the common areas and facilities when the declarant ceases to be a condominium unit owner, and the declarant shall cease to have any rights thereto unless such sales office, management office, or model condominium unit is removed promptly from the subjected real estate in accordance with a right reserved in the condominium instruments to make the removal.

*As added by Acts 1977, P.L.308, SEC.23.*

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**IC 32-1-6-16**

Sec. 16. At the time of the first conveyance of each condominium unit, every mortgage and other lien affecting such condominium unit, including its percentage of undivided interest in the common areas and facilities, shall be paid and satisfied of record, or the condominium unit being conveyed and its percentage of undivided interest in the common areas and facilities shall be released therefrom by partial release duly recorded. *(Formerly: Acts 1963, c.349, s.16.) As amended by Acts 1977, P.L.308, SEC.24.*

**IC 32-1-6-17**

Sec. 17. Taxes, assessments and other charges of this state, or of any political subdivision, or of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each condominium unit, each of which shall be carried on the tax books as a separate and distinct entity for that purpose, and not on the building or property as a whole. No forfeiture or sale of the building or property as a whole for delinquent taxes, assessments or charges shall ever divest or in anywise affect the title to a condominium unit so long as taxes, assessments and charges on the condominium unit are currently paid. *(Formerly: Acts 1963, c.349, s.17.) As amended by Acts 1977, P.L.308, SEC.25.*

**IC 32-1-6-18**

Sec. 18. (a) The co-owners through the association of co-owners shall purchase a master casualty policy affording fire and extended coverage in an amount consonant with the full replacement value of the improvement that in whole or in part comprise the common areas and facilities paid as part of the common expenses. The co-owners through the association of co-owners shall also purchase a master liability policy in an amount required by the bylaws, declaration, or revised from time to time by a decision of the board of directors of the association, which policy shall cover the association of co-owners, the executive organ, if any, the managing agent, if any, all persons acting or who may come to act as agents or employees of any of the foregoing with respect to the condominium, all condominium unit owners and all other persons entitled to occupy any unit or other portions of the condominium. Such other policies as may be required by the condominium instruments may be obtained by the co-owners through the association, including, without limitation, worker's compensation insurance, liability insurance on motor vehicles owned by the association, and specialized policies covering lands or improvements on which the association has or shares ownership or other rights and officers' and directors' liability policies.

(b) When any policy of insurance has been obtained by or on behalf of the association of co-owners, written notice of the obtainment thereof and of any subsequent changes or termination thereof shall be promptly furnished to each co-owner or mortgagee whose interest may be affected by the officer required to send notices of meetings of the association of co-owners.

*(Formerly: Acts 1963, c.349, s.18.) As amended by Acts 1977, P.L.308, SEC.26; P.L.28-1988, SEC.107.*

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**IC 32-1-6-19**

Sec. 19. (a) In case of fire or any other casualty or disaster, other than complete destruction of all buildings containing the condominium units, the improvements shall be reconstructed and the insurance proceeds applied to reconstruct the improvements.

(b) In the event of complete destruction of all of the buildings containing condominium units, the buildings shall not be reconstructed, except as otherwise provided, and the insurance proceeds, if any, shall be divided among the co-owners in the percentage by which each owns

an undivided interest in the common areas and facilities or proportionately according to the fair market value of all the condominium units immediately before the casualty as compared with all other condominium units, as specified in the bylaws of the condominium, and the property shall be considered as to be removed from the condominium under section 28 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, in which case the insurance proceeds shall be applied and any excess of construction costs over insurance proceeds shall be contributed as provided herein in the event of less than total destruction of the buildings.

(c) A determination of total destruction of the buildings containing condominium units shall be determined 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.

*(Formerly: Acts 1963, c.349, s.19.) As amended by Acts 1977, P.L.308, SEC.27.*

**IC 32-1-6-20**

Sec. 20. Where the improvements are not insured or where the insurance proceeds are not sufficient to cover the cost of repair or reconstruction and the property is not to be removed from the horizontal property regime, the co-owners shall contribute the balance of any such costs in the percentage by which a condominium unit owner owns an undivided interest in the common areas and facilities as expressed in the declaration. Such amount shall be assessed as part of the common expense and shall constitute a lien from the time of assessment as provided in section 24 of this chapter.

*(Formerly: Acts 1963, c.349, s.20.) As amended by Acts 1977, P.L.308, SEC.28.*

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**IC 32-1-6-21**

Sec. 21. If, pursuant to section 19 of this chapter, it is not determined by the co-owners to rebuild after a casualty or disaster has occurred, then in that event:

(1) The property shall be deemed to be owned in common by the condominium unit owners;

(2) The undivided interest in the property owned in common which shall appertain to each condominium unit owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities;

(3) Any liens affecting any of the condominium units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the condominium unit owner in the property; and

(4) The property shall be 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, shall be considered as one fund and shall be 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.

*(Formerly: Acts 1963, c.349, s.21; Acts 1965, c.96, s.7.) As amended by Acts 1977, P.L.308, SEC.29*

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**IC 32-1-6-22**

Sec. 22. (a) Except as provided in subsection (d) or (e), the co-owners are bound to contribute pro rata, in the percentages computed according to section 7 of this chapter, toward 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 toward any other expense lawfully agreed upon.

(b) No co-owner may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the common areas and facilities or by abandonment of the condominium unit belonging to him.

(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 for capital expenditures and replacement and repair of the common areas and facilities, which funds shall be used for those purposes and not for usual and ordinary repair expenses of the common areas and facilities. This fund for capital expenditures and replacement and repair of common areas and facilities 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 horizontal property regime 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 under IC 5-13-9 or as otherwise provided by law.

Assessments collected for contributions to this fund may not be subject to Indiana gross income tax or adjusted gross income tax.

(d) If the declaration so provides, 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 of time that:

(1) is stated in the declaration;

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

(3) terminates no later than the first day of the twenty-fourth calendar month following the month in which the closing of the sale of the first condominium unit occurs. However, if the expenses referred to in subsection (a) that are incurred during the stated period exceed the amount assessed against the other co-owners, then the declarant, developer, or successor shall pay the excess.

(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 of time if the declarant, developer, or successor:

(1) has guaranteed to each purchaser (either in the purchase contract, in the declaration, in 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 dollar amount during the stated period; and

(2) has obligated itself to pay any amount of those expenses incurred during the stated period and not produced by the assessments at the guaranteed level receivable from

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the other co-owners.

*(Formerly: Acts 1963, c.349, s.22.) As amended by Acts 1977, P.L.308, SEC.30; P.L.288-1985, SEC.1; P.L.2-1995, SEC.122; P.L.79-1998, SEC.96; P.L.88-2001, SEC.1.*

**IC 32-1-6-23**

YAMD.1977

Sec. 23. In a voluntary conveyance the grantee of a condominium unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the manager or board of directors, as the case may be, setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be 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 therein set forth.

*(Formerly: Acts 1963, c.349, s.23.) As amended by Acts 1977, P.L.308, SEC.31.*

**IC 32-1-6-24**

Sec. 24. (a) All sums assessed by the association of co-owners but unpaid for the share of the common expenses chargeable to any condominium unit shall constitute a lien from time of assessment on such unit prior to all other liens except only (i) tax liens on the condominium unit in favor of any assessing unit and special district, and (ii) all sums unpaid on a first mortgage of record. Such lien 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 this state governing mechanics' and materialmen's liens. In any such foreclosure the condominium unit owner shall be required to pay a reasonable rental for the unit, if so provided in the by-laws, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The manager or board of directors, acting on behalf of the association of co-owners, shall have power, unless prohibited by the declaration, to bid on the condominium unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or having the lien securing the same.

(b) Where 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, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the association of co-owners chargeable to such unit which became due prior to the acquisition of title to such unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the co-owners including such acquirer, his successors and assigns.

*(Formerly: Acts 1963, c.349, s.24.) As amended by Acts 1977, P.L.308, SEC.32.*

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**IC 32-1-6-25**

Sec. 25. The administration of every property shall be governed by by-laws, a true copy of which shall be annexed to the declaration and made a part thereof. No modification of or amendment to the by-laws shall be valid unless set forth in an amendment to the declaration and such amendment is duly recorded.

*(Formerly: Acts 1963, c.349, s.25.)*

**IC 32-1-6-26**

Sec. 26. The by-laws shall provide for the following:

(1) The election from among the co-owners of a board of directors, the number of persons constituting the same, and that the terms of at least one-third (1/3) of the directors shall expire annually; the powers and duties of the board; the compensation, if any, of the directors; the method of removal from office of directors; and whether or not the board may engage the services of a manager or managing agent.

(2) Method of calling meetings of the co-owners; what percentage, if other than a majority of co-owners, shall constitute a quorum.

(3) Election of a president from among the board of directors who shall preside over the meetings of the board of directors and of the association of co-owners.

(4) Election of a secretary who shall keep the minute book wherein resolutions shall be recorded.

(5) Election of a treasurer who shall keep the financial records and books of account.

(6) Maintenance, repair and replacement of the common areas and facilities and payments therefor, including the method of approving payment vouchers.

(7) Manner of collecting from the apartment owners their share of the common expenses.

(8) Designation and removal of personnel necessary for the maintenance, repair and replacement of the common areas and facilities.

(9) Method of adopting and of amending administrative rules and regulations governing the details of the operation and use of the common areas and facilities.

(10) Such restrictions on and requirements respecting the use and maintenance of the condominium units and the use of the common areas and facilities, not set forth in the declaration, as are 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 by-laws.

(12) Other provisions as may be deemed necessary for the administration of the property consistent with this chapter.

*(Formerly: Acts 1963, c.349, s.26.) As amended by Acts 1977, P.L.308, SEC.33.*

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**IC 32-1-6-27**

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Sec. 27. The manager or board of directors, as the case may be, shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the co-owners at convenient hours of week days.

*(Formerly: Acts 1963, c.349, s.27.) As amended by Acts 1977, P.L.308, SEC.34.*

**IC 32-1-6-28**

Sec. 28. (a) All of the co-owners may remove a property from the provisions of this chapter by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the condominium units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the percentage of the undivided interest of the condominium unit owner in the property as provided in this section.

(b) In the event it is determined under section 19 of this chapter that all of the buildings containing condominium units have been totally destroyed, the property shall be considered removed from the provisions of this chapter and an instrument reciting that fact in accordance with section 19 of this chapter shall be duly recorded and executed by the association of co-owners which property after such recording shall be removed from the provisions of this chapter. Upon removal of the property from the provisions of this chapter, the property shall be deemed to be owned in common by the condominium unit owners. The undivided interest in the property owned in common which shall appertain to each condominium unit owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities.

(c) Under the circumstances described in either subsection (a) or subsection (b) of this section, the property shall be 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, shall be considered as one (1) fund and shall be 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.

*(Formerly: Acts 1963, c.349, s.28.) As amended by Acts 1977, P.L.308, SEC.35.*

**IC 32-1-6-29**

Sec. 29. The removal provided for in section 28 of this chapter does not bar the subsequent resubmission of the property to the provisions of this chapter.

*(Formerly: Acts 1963, c.349, s.29.) As amended by Acts 1977, P.L.308, SEC.36.*

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**IC 32-1-6-30**

Sec. 30. Without limiting the rights of any condominium unit owner, actions may be brought by the manager or board of directors, in either case in the discretion of the board of directors, on behalf of two (2) or more of the condominium unit owners, as their respective interests may appear, with respect to any cause of action relating to the common areas and facilities or more than one (1) condominium unit. Service of process on two (2) or more condominium unit owners in any action relating to the common areas and facilities or more than one (1) condominium unit may be made on the person designated in the declaration to receive service of process.

*(Formerly: Acts 1963, c.349, s.30.) As amended by Acts 1977, P.L.308, SEC.37.*

**IC 32-1-6-31**

Sec. 31. (a) All condominium unit owners, tenants of such owners, employees of owners and tenants, or any other persons that may in any manner use property or any part thereof submitted to the provisions of this chapter shall be subject to this chapter and to the declaration and by-laws of the association of co-owners adopted pursuant to the provisions of this chapter.

(b) All agreements, decisions and determinations lawfully made by the association of co-owners in accordance with the voting percentages established in this chapter, declaration or by-laws, shall be deemed to be binding on all condominium unit owners.

*(Formerly: Acts 1963, c.349, s.31.) As amended by Acts 1977, P.L.308, SEC.38.*

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