

IC 32-25-6

Chapter 6. Liens and Encumbrances

IC 32-25-6-1

Liens and encumbrances

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

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

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

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

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

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

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

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

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

IC 32-25-6-2

Common areas; transferable easements for making improvements

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

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

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

IC 32-25-6-3

Unpaid assessments; lien

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

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

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

- (1) the condominium unit owner shall pay a reasonable rental for the unit, if payment of the rental is provided in the bylaws; and
- (2) the plaintiff in the foreclosure is entitled to the appointment of a receiver to collect the rental.

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

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

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

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

all of the co-owners, including the acquirer or the acquirer's successors and assigns.

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