515B.4-110 OBLIGATION TO RELEASE LIENS.

(a) In the case of a transfer of a unit where a disclosure statement is required, the declarant, before conveying the unit, shall:

(1) record or furnish to the purchaser recordable releases of all liens, the foreclosure of which could deprive the unit owner of title to or occupancy of the unit, that the purchaser does not agree in writing to take subject to or assume, that encumber:

(i) in a condominium, that unit and its common element interest, and

(ii) in a cooperative or planned community, that unit and any common elements; or

(2) if the purchaser agrees in writing, provide the purchaser with a surety bond, substitute collateral or title insurance assuring against loss or damage from the enforcement of the lien.

(b) Before conveying real estate to the association, the declarant shall have the real estate released from: (1) all liens the foreclosure of which would deprive unit owners of any material right of access to a unit or any material easements appurtenant to a unit, and (2) all other liens on that real estate, unless the disclosure statement specifically states that the declarant may convey the real estate to the association subject to liens and discloses the maximum amount and all other relevant terms of the lien.

History: *1993 c 222 art 4 s 10; 2010 c 267 art 4 s 8*