

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Common Interest Community Association Act is
5 amended by changing Section 1-45 as follows:

6 (765 ILCS 160/1-45)

7 Sec. 1-45. Finances.

8 (a) Each member shall receive through a prescribed delivery
9 method, at least 25 ~~30~~ days but not more than 60 days prior to
10 the adoption thereof by the board, a copy of the proposed
11 annual budget together with an indication of which portions are
12 intended for reserves, capital expenditures or repairs or
13 payment of real estate taxes.

14 (b) The board shall provide all members with a reasonably
15 detailed summary of the receipts, common expenses, and reserves
16 for the preceding budget year. The board shall (i) make
17 available for review to all members an itemized accounting of
18 the common expenses for the preceding year actually incurred or
19 paid, together with an indication of which portions were for
20 reserves, capital expenditures or repairs or payment of real
21 estate taxes and with a tabulation of the amounts collected
22 pursuant to the budget or assessment, and showing the net
23 excess or deficit of income over expenditures plus reserves or

1 (ii) provide a consolidated annual independent audit report of
2 the financial status of all fund accounts within the
3 association.

4 (c) If an adopted budget or any separate assessment adopted
5 by the board would result in the sum of all regular and
6 separate assessments payable in the current fiscal year
7 exceeding 115% of the sum of all regular and separate
8 assessments payable during the preceding fiscal year, the
9 common interest community association, upon written petition
10 by members with 20% of the votes of the association delivered
11 to the board within 14 days of the board action, shall call a
12 meeting of the members within 30 days of the date of delivery
13 of the petition to consider the budget or separate assessment;
14 unless a majority of the total votes of the members are cast at
15 the meeting to reject the budget or separate assessment, it
16 shall be deemed ratified.

17 (d) If total common expenses exceed the total amount of the
18 approved and adopted budget, the common interest community
19 association shall disclose this variance to all its members and
20 specifically identify the subsequent assessments needed to
21 offset this variance in future budgets.

22 (e) Separate assessments for expenditures relating to
23 emergencies or mandated by law may be adopted by the board
24 without being subject to member approval or the provisions of
25 subsection (c) or (f) of this Section. As used herein,
26 "emergency" means a danger to or a compromise of the structural

1 integrity of the common areas or any of the common facilities
2 of the common interest community. "Emergency" also includes a
3 danger to the life, health or safety of the membership.

4 (f) Assessments for additions and alterations to the common
5 areas or to association-owned property not included in the
6 adopted annual budget, shall be separately assessed and are
7 subject to approval of a simple majority of the total members
8 at a meeting called for that purpose.

9 (g) The board may adopt separate assessments payable over
10 more than one fiscal year. With respect to multi-year
11 assessments not governed by subsections (e) and (f) of this
12 Section, the entire amount of the multi-year assessment shall
13 be deemed considered and authorized in the first fiscal year in
14 which the assessment is approved.

15 (h) The board of a common interest community association
16 shall have the authority to establish and maintain a system of
17 master metering of public utility services to collect payments
18 in conjunction therewith, subject to the requirements of the
19 Tenant Utility Payment Disclosure Act.

20 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11;
21 97-1090, eff. 8-24-12.)

22 Section 10. The Condominium Property Act is amended by
23 changing Section 18.5 as follows:

24 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

1 Sec. 18.5. Master Associations.

2 (a) If the declaration, other condominium instrument, or
3 other duly recorded covenants provide that any of the powers of
4 the unit owners associations are to be exercised by or may be
5 delegated to a nonprofit corporation or unincorporated
6 association that exercises those or other powers on behalf of
7 one or more condominiums, or for the benefit of the unit owners
8 of one or more condominiums, such corporation or association
9 shall be a master association.

10 (b) There shall be included in the declaration, other
11 condominium instruments, or other duly recorded covenants
12 establishing the powers and duties of the master association
13 the provisions set forth in subsections (c) through (h).

14 In interpreting subsections (c) through (h), the courts
15 should interpret these provisions so that they are interpreted
16 consistently with the similar parallel provisions found in
17 other parts of this Act.

18 (c) Meetings and finances.

19 (1) Each unit owner of a condominium subject to the
20 authority of the board of the master association shall
21 receive, at least 25 ~~30~~ days prior to the adoption thereof
22 by the board of the master association, a copy of the
23 proposed annual budget.

24 (2) The board of the master association shall annually
25 supply to all unit owners of condominiums subject to the
26 authority of the board of the master association an

1 itemized accounting of the common expenses for the
2 preceding year actually incurred or paid, together with a
3 tabulation of the amounts collected pursuant to the budget
4 or assessment, and showing the net excess or deficit of
5 income over expenditures plus reserves.

6 (3) Each unit owner of a condominium subject to the
7 authority of the board of the master association shall
8 receive written notice mailed or delivered no less than 10
9 and no more than 30 days prior to any meeting of the board
10 of the master association concerning the adoption of the
11 proposed annual budget or any increase in the budget, or
12 establishment of an assessment.

13 (4) Meetings of the board of the master association
14 shall be open to any unit owner in a condominium subject to
15 the authority of the board of the master association,
16 except the board may close any portion of a noticed meeting
17 or meet separately from a noticed meeting to:

18 (A) discuss litigation when an action against or on
19 behalf of the particular association has been filed and
20 is pending in a court or administrative tribunal, or
21 when the board of managers finds that such an action is
22 probable or imminent;

23 (B) discuss the appointment, employment,
24 engagement, or dismissal of an employee, independent
25 contractor, agent, or other provider of goods and
26 services;

1 (C) interview a potential employee, independent
2 contractor, agent, or other provider of goods and
3 services;

4 (D) discuss violations of rules and regulations of
5 the association;

6 (E) discuss a unit owner's unpaid share of common
7 expenses; or

8 (F) consult with the association's legal counsel.

9 ~~for the portion of any meeting held:~~

10 ~~(A) to discuss litigation when an action against or~~
11 ~~on behalf of the particular master association has been~~
12 ~~filed and is pending in a court or administrative~~
13 ~~tribunal, or when the board of the master association~~
14 ~~finds that such an action is probable or imminent,~~

15 ~~(B) to consider information regarding appointment,~~
16 ~~employment or dismissal of an employee, or~~

17 ~~(C) to discuss violations of rules and regulations~~
18 ~~of the master association or unpaid common expenses~~
19 ~~owed to the master association.~~

20 Any vote on these matters shall be taken at a meeting or
21 portion thereof open to any unit owner of a condominium
22 subject to the authority of the master association.

23 Any unit owner may record the proceedings at meetings
24 required to be open by this Act by tape, film or other
25 means; the board may prescribe reasonable rules and
26 regulations to govern the right to make such recordings.

1 Notice of meetings shall be mailed or delivered at least 48
2 hours prior thereto, unless a written waiver of such notice
3 is signed by the persons entitled to notice before the
4 meeting is convened. Copies of notices of meetings of the
5 board of the master association shall be posted in
6 entranceways, elevators, or other conspicuous places in
7 the condominium at least 48 hours prior to the meeting of
8 the board of the master association. Where there is no
9 common entranceway for 7 or more units, the board of the
10 master association may designate one or more locations in
11 the proximity of these units where the notices of meetings
12 shall be posted.

13 (5) If the declaration provides for election by unit
14 owners of members of the board of directors in the event of
15 a resale of a unit in the master association, the purchaser
16 of a unit from a seller other than the developer pursuant
17 to an installment contract for purchase shall, during such
18 times as he or she resides in the unit, be counted toward a
19 quorum for purposes of election of members of the board of
20 directors at any meeting of the unit owners called for
21 purposes of electing members of the board, and shall have
22 the right to vote for the election of members of the board
23 of directors and to be elected to and serve on the board of
24 directors unless the seller expressly retains in writing
25 any or all of those rights. In no event may the seller and
26 purchaser both be counted toward a quorum, be permitted to

1 vote for a particular office, or be elected and serve on
2 the board. Satisfactory evidence of the installment
3 contract shall be made available to the association or its
4 agents. For purposes of this subsection, "installment
5 contract" shall have the same meaning as set forth in
6 subsection (e) of Section 1 of the Dwelling Unit
7 Installment Contract Act.

8 (6) The board of the master association shall have the
9 authority to establish and maintain a system of master
10 metering of public utility services and to collect payments
11 in connection therewith, subject to the requirements of the
12 Tenant Utility Payment Disclosure Act.

13 (7) The board of the master association or a common
14 interest community association shall have the power, after
15 notice and an opportunity to be heard, to levy and collect
16 reasonable fines from members for violations of the
17 declaration, bylaws, and rules and regulations of the
18 master association or the common interest community
19 association. Nothing contained in this subdivision (7)
20 shall give rise to a statutory lien for unpaid fines.

21 (8) Other than attorney's fees, no fees pertaining to
22 the collection of a unit owner's financial obligation to
23 the Association, including fees charged by a manager or
24 managing agent, shall be added to and deemed a part of an
25 owner's respective share of the common expenses unless: (i)
26 the managing agent fees relate to the costs to collect

1 common expenses for the Association; (ii) the fees are set
2 forth in a contract between the managing agent and the
3 Association; and (iii) the authority to add the management
4 fees to an owner's respective share of the common expenses
5 is specifically stated in the declaration or bylaws of the
6 Association.

7 (d) Records.

8 (1) The board of the master association shall maintain
9 the following records of the association and make them
10 available for examination and copying at convenient hours
11 of weekdays by any unit owners in a condominium subject to
12 the authority of the board or their mortgagees and their
13 duly authorized agents or attorneys:

14 (i) Copies of the recorded declaration, other
15 condominium instruments, other duly recorded covenants
16 and bylaws and any amendments, articles of
17 incorporation of the master association, annual
18 reports and any rules and regulations adopted by the
19 master association or its board shall be available.
20 Prior to the organization of the master association,
21 the developer shall maintain and make available the
22 records set forth in this subdivision (d)(1) for
23 examination and copying.

24 (ii) Detailed and accurate records in
25 chronological order of the receipts and expenditures
26 affecting the common areas, specifying and itemizing

1 the maintenance and repair expenses of the common areas
2 and any other expenses incurred, and copies of all
3 contracts, leases, or other agreements entered into by
4 the master association, shall be maintained.

5 (iii) The minutes of all meetings of the master
6 association and the board of the master association
7 shall be maintained for not less than 7 years.

8 (iv) Ballots and proxies related thereto, if any,
9 for any election held for the board of the master
10 association and for any other matters voted on by the
11 unit owners shall be maintained for not less than one
12 year.

13 (v) Such other records of the master association as
14 are available for inspection by members of a
15 not-for-profit corporation pursuant to Section 107.75
16 of the General Not For Profit Corporation Act of 1986
17 shall be maintained.

18 (vi) With respect to units owned by a land trust,
19 if a trustee designates in writing a person to cast
20 votes on behalf of the unit owner, the designation
21 shall remain in effect until a subsequent document is
22 filed with the association.

23 (2) Where a request for records under this subsection
24 is made in writing to the board of managers or its agent,
25 failure to provide the requested record or to respond
26 within 30 days shall be deemed a denial by the board of

1 directors.

2 (3) A reasonable fee may be charged by the master
3 association or its board for the cost of copying.

4 (4) If the board of directors fails to provide records
5 properly requested under subdivision (d)(1) within the
6 time period provided in subdivision (d)(2), the unit owner
7 may seek appropriate relief, including an award of
8 attorney's fees and costs.

9 (e) The board of directors shall have standing and capacity
10 to act in a representative capacity in relation to matters
11 involving the common areas of the master association or more
12 than one unit, on behalf of the unit owners as their interests
13 may appear.

14 (f) Administration of property prior to election of the
15 initial board of directors.

16 (1) Until the election, by the unit owners or the
17 boards of managers of the underlying condominium
18 associations, of the initial board of directors of a master
19 association whose declaration is recorded on or after
20 August 10, 1990, the same rights, titles, powers,
21 privileges, trusts, duties and obligations that are vested
22 in or imposed upon the board of directors by this Act or in
23 the declaration or other duly recorded covenant shall be
24 held and performed by the developer.

25 (2) The election of the initial board of directors of a
26 master association whose declaration is recorded on or

1 after August 10, 1990, by the unit owners or the boards of
2 managers of the underlying condominium associations, shall
3 be held not later than 60 days after the conveyance by the
4 developer of 75% of the units, or 3 years after the
5 recording of the declaration, whichever is earlier. The
6 developer shall give at least 21 days notice of the meeting
7 to elect the initial board of directors and shall upon
8 request provide to any unit owner, within 3 working days of
9 the request, the names, addresses, and weighted vote of
10 each unit owner entitled to vote at the meeting. Any unit
11 owner shall upon receipt of the request be provided with
12 the same information, within 10 days of the request, with
13 respect to each subsequent meeting to elect members of the
14 board of directors.

15 (3) If the initial board of directors of a master
16 association whose declaration is recorded on or after
17 August 10, 1990 is not elected by the unit owners or the
18 members of the underlying condominium association board of
19 managers at the time established in subdivision (f) (2), the
20 developer shall continue in office for a period of 30 days,
21 whereupon written notice of his resignation shall be sent
22 to all of the unit owners or members of the underlying
23 condominium board of managers entitled to vote at an
24 election for members of the board of directors.

25 (4) Within 60 days following the election of a majority
26 of the board of directors, other than the developer, by

1 unit owners, the developer shall deliver to the board of
2 directors:

3 (i) All original documents as recorded or filed
4 pertaining to the property, its administration, and
5 the association, such as the declaration, articles of
6 incorporation, other instruments, annual reports,
7 minutes, rules and regulations, and contracts, leases,
8 or other agreements entered into by the association. If
9 any original documents are unavailable, a copy may be
10 provided if certified by affidavit of the developer, or
11 an officer or agent of the developer, as being a
12 complete copy of the actual document recorded or filed.

13 (ii) A detailed accounting by the developer,
14 setting forth the source and nature of receipts and
15 expenditures in connection with the management,
16 maintenance and operation of the property, copies of
17 all insurance policies, and a list of any loans or
18 advances to the association which are outstanding.

19 (iii) Association funds, which shall have been at
20 all times segregated from any other moneys of the
21 developer.

22 (iv) A schedule of all real or personal property,
23 equipment and fixtures belonging to the association,
24 including documents transferring the property,
25 warranties, if any, for all real and personal property
26 and equipment, deeds, title insurance policies, and

1 all tax bills.

2 (v) A list of all litigation, administrative
3 action and arbitrations involving the association, any
4 notices of governmental bodies involving actions taken
5 or which may be taken concerning the association,
6 engineering and architectural drawings and
7 specifications as approved by any governmental
8 authority, all other documents filed with any other
9 governmental authority, all governmental certificates,
10 correspondence involving enforcement of any
11 association requirements, copies of any documents
12 relating to disputes involving unit owners, and
13 originals of all documents relating to everything
14 listed in this subparagraph.

15 (vi) If the developer fails to fully comply with
16 this paragraph (4) within the 60 days provided and
17 fails to fully comply within 10 days of written demand
18 mailed by registered or certified mail to his or her
19 last known address, the board may bring an action to
20 compel compliance with this paragraph (4). If the court
21 finds that any of the required deliveries were not made
22 within the required period, the board shall be entitled
23 to recover its reasonable attorneys' fees and costs
24 incurred from and after the date of expiration of the
25 10 day demand.

26 (5) With respect to any master association whose

1 declaration is recorded on or after August 10, 1990, any
2 contract, lease, or other agreement made prior to the
3 election of a majority of the board of directors other than
4 the developer by or on behalf of unit owners or underlying
5 condominium associations, the association or the board of
6 directors, which extends for a period of more than 2 years
7 from the recording of the declaration, shall be subject to
8 cancellation by more than 1/2 of the votes of the unit
9 owners, other than the developer, cast at a special meeting
10 of members called for that purpose during a period of 90
11 days prior to the expiration of the 2 year period if the
12 board of managers is elected by the unit owners, otherwise
13 by more than 1/2 of the underlying condominium board of
14 managers. At least 60 days prior to the expiration of the 2
15 year period, the board of directors, or, if the board is
16 still under developer control, then the board of managers
17 or the developer shall send notice to every unit owner or
18 underlying condominium board of managers, notifying them
19 of this provision, of what contracts, leases and other
20 agreements are affected, and of the procedure for calling a
21 meeting of the unit owners or for action by the underlying
22 condominium board of managers for the purpose of acting to
23 terminate such contracts, leases or other agreements.
24 During the 90 day period the other party to the contract,
25 lease, or other agreement shall also have the right of
26 cancellation.

1 (6) The statute of limitations for any actions in law
2 or equity which the master association may bring shall not
3 begin to run until the unit owners or underlying
4 condominium board of managers have elected a majority of
5 the members of the board of directors.

6 (g) In the event of any resale of a unit in a master
7 association by a unit owner other than the developer, the owner
8 shall obtain from the board of directors and shall make
9 available for inspection to the prospective purchaser, upon
10 demand, the following:

11 (1) A copy of the declaration, other instruments and
12 any rules and regulations.

13 (2) A statement of any liens, including a statement of
14 the account of the unit setting forth the amounts of unpaid
15 assessments and other charges due and owing.

16 (3) A statement of any capital expenditures
17 anticipated by the association within the current or
18 succeeding 2 fiscal years.

19 (4) A statement of the status and amount of any reserve
20 for replacement fund and any portion of such fund earmarked
21 for any specified project by the board of directors.

22 (5) A copy of the statement of financial condition of
23 the association for the last fiscal year for which such a
24 statement is available.

25 (6) A statement of the status of any pending suits or
26 judgments in which the association is a party.

1 (7) A statement setting forth what insurance coverage
2 is provided for all unit owners by the association.

3 (8) A statement that any improvements or alterations
4 made to the unit, or any part of the common areas assigned
5 thereto, by the prior unit owner are in good faith believed
6 to be in compliance with the declaration of the master
7 association.

8 The principal officer of the unit owner's association or
9 such other officer as is specifically designated shall furnish
10 the above information when requested to do so in writing,
11 within 30 days of receiving the request.

12 A reasonable fee covering the direct out-of-pocket cost of
13 copying and providing such information may be charged by the
14 association or its board of directors to the unit seller for
15 providing the information.

16 (g-1) The purchaser of a unit of a common interest
17 community at a judicial foreclosure sale, other than a
18 mortgagee, who takes possession of a unit of a common interest
19 community pursuant to a court order or a purchaser who acquires
20 title from a mortgagee shall have the duty to pay the
21 proportionate share, if any, of the common expenses for the
22 unit that would have become due in the absence of any
23 assessment acceleration during the 6 months immediately
24 preceding institution of an action to enforce the collection of
25 assessments and the court costs incurred by the association in
26 an action to enforce the collection that remain unpaid by the

1 owner during whose possession the assessments accrued. If the
2 outstanding assessments and the court costs incurred by the
3 association in an action to enforce the collection are paid at
4 any time during any action to enforce the collection of
5 assessments, the purchaser shall have no obligation to pay any
6 assessments that accrued before he or she acquired title. The
7 notice of sale of a unit of a common interest community under
8 subsection (c) of Section 15-1507 of the Code of Civil
9 Procedure shall state that the purchaser of the unit other than
10 a mortgagee shall pay the assessments and court costs required
11 by this subsection (g-1).

12 (h) Errors and omissions.

13 (1) If there is an omission or error in the declaration
14 or other instrument of the master association, the master
15 association may correct the error or omission by an
16 amendment to the declaration or other instrument, as may be
17 required to conform it to this Act, to any other applicable
18 statute, or to the declaration. The amendment shall be
19 adopted by vote of two-thirds of the members of the board
20 of directors or by a majority vote of the unit owners at a
21 meeting called for that purpose, unless the Act or the
22 declaration of the master association specifically
23 provides for greater percentages or different procedures.

24 (2) If, through a scrivener's error, a unit has not
25 been designated as owning an appropriate undivided share of
26 the common areas or does not bear an appropriate share of

1 the common expenses, or if all of the common expenses or
2 all of the common elements in the condominium have not been
3 distributed in the declaration, so that the sum total of
4 the shares of common areas which have been distributed or
5 the sum total of the shares of the common expenses fail to
6 equal 100%, or if it appears that more than 100% of the
7 common elements or common expenses have been distributed,
8 the error may be corrected by operation of law by filing an
9 amendment to the declaration, approved by vote of
10 two-thirds of the members of the board of directors or a
11 majority vote of the unit owners at a meeting called for
12 that purpose, which proportionately adjusts all percentage
13 interests so that the total is equal to 100%, unless the
14 declaration specifically provides for a different
15 procedure or different percentage vote by the owners of the
16 units and the owners of mortgages thereon affected by
17 modification being made in the undivided interest in the
18 common areas, the number of votes in the unit owners
19 association or the liability for common expenses
20 appertaining to the unit.

21 (3) If an omission or error or a scrivener's error in
22 the declaration or other instrument is corrected by vote of
23 two-thirds of the members of the board of directors
24 pursuant to the authority established in subdivisions
25 (h)(1) or (h)(2) of this Section, the board, upon written
26 petition by unit owners with 20% of the votes of the

1 association or resolutions adopted by the board of managers
2 or board of directors of the condominium and common
3 interest community associations which select 20% of the
4 members of the board of directors of the master
5 association, whichever is applicable, received within 30
6 days of the board action, shall call a meeting of the unit
7 owners or the boards of the condominium and common interest
8 community associations which select members of the board of
9 directors of the master association within 30 days of the
10 filing of the petition or receipt of the condominium and
11 common interest community association resolution to
12 consider the board action. Unless a majority of the votes
13 of the unit owners of the association are cast at the
14 meeting to reject the action, or board of managers or board
15 of directors of condominium and common interest community
16 associations which select over 50% of the members of the
17 board of the master association adopt resolutions prior to
18 the meeting rejecting the action of the board of directors
19 of the master association, it is ratified whether or not a
20 quorum is present.

21 (4) The procedures for amendments set forth in this
22 subsection (h) cannot be used if such an amendment would
23 materially or adversely affect property rights of the unit
24 owners unless the affected unit owners consent in writing.
25 This Section does not restrict the powers of the
26 association to otherwise amend the declaration, bylaws, or

1 other condominium instruments, but authorizes a simple
2 process of amendment requiring a lesser vote for the
3 purpose of correcting defects, errors, or omissions when
4 the property rights of the unit owners are not materially
5 or adversely affected.

6 (5) If there is an omission or error in the declaration
7 or other instruments that may not be corrected by an
8 amendment procedure set forth in subdivision (h)(1) or
9 (h)(2) of this Section, then the circuit court in the
10 county in which the master association is located shall
11 have jurisdiction to hear a petition of one or more of the
12 unit owners thereon or of the association, to correct the
13 error or omission, and the action may be a class action.
14 The court may require that one or more methods of
15 correcting the error or omission be submitted to the unit
16 owners to determine the most acceptable correction. All
17 unit owners in the association must be joined as parties to
18 the action. Service of process on owners may be by
19 publication, but the plaintiff shall furnish all unit
20 owners not personally served with process with copies of
21 the petition and final judgment of the court by certified
22 mail, return receipt requested, at their last known
23 address.

24 (6) Nothing contained in this Section shall be
25 construed to invalidate any provision of a declaration
26 authorizing the developer to amend an instrument prior to

1 the latest date on which the initial membership meeting of
2 the unit owners must be held, whether or not it has
3 actually been held, to bring the instrument into compliance
4 with the legal requirements of the Federal National
5 Mortgage Association, the Federal Home Loan Mortgage
6 Corporation, the Federal Housing Administration, the
7 United States Veterans Administration or their respective
8 successors and assigns.

9 (i) The provisions of subsections (c) through (h) are
10 applicable to all declarations, other condominium instruments,
11 and other duly recorded covenants establishing the powers and
12 duties of the master association recorded under this Act. Any
13 portion of a declaration, other condominium instrument, or
14 other duly recorded covenant establishing the powers and duties
15 of a master association which contains provisions contrary to
16 the provisions of subsection (c) through (h) shall be void as
17 against public policy and ineffective. Any declaration, other
18 condominium instrument, or other duly recorded covenant
19 establishing the powers and duties of the master association
20 which fails to contain the provisions required by subsections
21 (c) through (h) shall be deemed to incorporate such provisions
22 by operation of law.

23 (j) (Blank).

24 (Source: P.A. 96-1045, eff. 7-14-10; 97-535, eff. 1-1-12;
25 97-605, eff. 8-26-11; 97-813, eff. 7-13-12.)