



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB0885

Introduced 2/7/2017, by Sen. David Koehler

SYNOPSIS AS INTRODUCED:

New Act

735 ILCS 5/15-1106	from Ch. 110, par. 15-1106
765 ILCS 70/Act rep.	
765 ILCS 75/Act rep.	
765 ILCS 605/18	from Ch. 30, par. 318
765 ILCS 605/18.5	from Ch. 30, par. 318.5

Repeals the Dwelling Structure Contract Act and the Dwelling Unit Installment Contract Act. Creates the Installment Sales Contract Act. Adds provisions governing: definitions; terms and conditions of installment sales contracts; applicability of other Acts; sales of condemned dwelling structures; repairs; account statements; transfer of payments; insurance proceeds; unlawful acts; waivers; and penalties. Makes corresponding changes in the Condominium Property Act. Amends the Code of Civil Procedure. Provides that a real estate installment contract for residential real estate is subject to the foreclosure provisions of the Code if the purchase price is to be paid in installments over a period in excess of one year (instead of 5 years) and the amount unpaid under the terms of the contract at the time of the filing of the foreclosure complaint, including principal and due and unpaid interest, at the rate prior to default, is less than 90% (instead of 80%) of the original purchase price of the real estate as stated in the contract. Effective January 1, 2018.

LRB100 05980 HEP 16008 b

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 1. Short title. This Act may be cited as the
5 Installment Sales Contract Act.

6 Section 5. Definitions. As used in this Act, unless the
7 context otherwise requires:

8 "Amortization schedule" means a written schedule which
9 sets forth the date of each periodic payment, the amount of
10 each periodic payment that will be applied to the principal
11 balance, and the amount of each periodic payment that will be
12 applied to any interest charged, if applicable, pursuant to the
13 contract.

14 "Balloon payment" means a payment, other than the initial
15 down payment, in which more than the ordinary periodic payment
16 is charged during the contract.

17 "Buyer" means the person who is obligated to make payments
18 to the seller pursuant to the contract.

19 "Date of sale" means the date that the seller and buyer
20 sign the written contract.

21 "Dwelling structure" means any private home or residence or
22 any building or structure intended for residential use.

23 "Installment sales contract" or "contract" means any

1 contract or agreement, including a contract for deed, bond for
2 deed, or any other sale or legal device whereby a seller agrees
3 to sell and the buyer agrees to buy a dwelling structure, in
4 which the consideration for the sale is payable in installments
5 for a period of at least one year after the buyer takes
6 possession of the dwelling structure and the seller continues
7 to have an interest or security for the purchase price or
8 otherwise in the property.

9 "Seller" means the owner of a legal or beneficial interest
10 in a dwelling structure, or the owner's agent, who utilizes an
11 installment sales contract to sell the dwelling structure.

12 Section 10. Terms and conditions of installment sales
13 contracts.

14 (a) The seller of residential real estate by installment
15 sales contract, on the date of sale, shall provide the buyer
16 with a written contract that complies with the requirements set
17 forth in this Section.

18 (b) Until the buyer is provided with a copy of the
19 contract, the buyer has the right to rescind the contract, in
20 addition to all other remedies provided by this Act. Upon
21 rescission pursuant to this Section, the seller shall refund to
22 the buyer all money paid to the seller as of the date of
23 rescission.

24 (c) An installment sales contract for the sale of a
25 dwelling structure shall clearly and conspicuously disclose

1 the following:

2 (1) The price of the dwelling structure.

3 (2) The amount, if any, of any down payment applied to
4 the price of the dwelling structure and the resulting
5 principal on the loan.

6 (3) The amount, if any, of any security deposit.

7 (4) The amount of the periodic payment.

8 (5) The interest rate being charged, if any, expressed
9 only as an annual percentage rate.

10 (6) The amount, if any, of any balloon payment.

11 (7) A statement outlining whether the seller or the
12 buyer is responsible for paying real estate taxes and
13 insurance and how responsibilities of the buyer and seller
14 change based on the time period the dwelling is occupied by
15 the buyer and what percentage of the principal is paid
16 down. In all circumstances not defined in the statement
17 required by this item, the seller has the responsibility of
18 paying real estate taxes and insurance.

19 (8) The amount that will be charged periodically, if
20 any, for the first year to pay real estate taxes.

21 (9) The amount that will be charged periodically, if
22 any, for the first year to pay insurance.

23 (10) A statement that the amounts listed in items (8)
24 and (9) of this subsection are subject to change each year.

25 (11) The assessed value of the property as set forth on
26 the real estate tax bill for the year immediately prior to

1 the sale.

2 (12) The amount of real estate taxes for the year
3 immediately prior to the sale.

4 (13) Any unpaid amounts owing on prior real estate
5 taxes.

6 (14) The amount of the annual insurance payment for the
7 year immediately prior to the sale.

8 (15) The type of insurance coverage that will be
9 required or provided.

10 (16) The seller's interest in the structure being sold.

11 (17) Any known liens or mortgages or other title
12 limitations existing on the property and an explanation of
13 the meaning of the liens, mortgages, or title limitations.

14 (18) An explanation as to when the buyer will obtain
15 the title.

16 (19) An explanation of the consequences of the failure
17 of the buyer to make timely payments before the title is
18 transferred.

19 (20) A statement defining what repairs the buyer is
20 financially responsible for, if any, and how
21 responsibilities of the buyer and seller to repair the
22 property change based on the time period the dwelling is
23 occupied by the buyer and what percentage of the principal
24 is paid down. In all circumstances not defined in this
25 item, the seller has responsibility for repairs.

26 (21) Any additional charges due.

1 (22) An amortization schedule.

2 (23) A certificate of compliance with applicable
3 dwelling codes, or in the absence of such a certificate:

4 (i) an express written warranty that no notice from any
5 municipality or other governmental authority of a dwelling
6 code violation that existed in the dwelling structure
7 before the installment sales contract was executed had been
8 received by the seller, his or her principal, or his or her
9 agent within 10 years of the date of execution of the
10 installment sales contract; or (ii) if any notice of a
11 violation had been received, a list of all such notices
12 with a detailed statement of all violations referred to in
13 the notice.

14 (24) A statement that the contract is subject to the
15 Lead Poisoning Prevention Act and that the seller has
16 complied with all obligations of an owner required by the
17 that Act.

18 (25) A statement indicating whether the terms of the
19 contract qualify as a high risk home loan as defined by the
20 High Risk Home Loan Act and, if the terms qualify as a high
21 risk home loan, that the seller has complied with all
22 obligations of a lender under the High Risk Home Loan Act.

23 (d) The requirements of this Section cannot be waived by
24 the buyer or seller.

25 Section 15. Applicability of other Acts. An installment

1 sales contract under this Act is subject to the Lead Poisoning
2 Prevention Act and the High Risk Home Loan Act. This Act does
3 not preclude any remedies available to a buyer under other law.

4 Section 20. Sales of condemned dwelling structures. The
5 sale of a dwelling structure by installment sales contract is
6 expressly prohibited if the structure has been condemned for
7 demolition by the unit of government having jurisdiction.

8 Section 25. Recording of contract required.

9 (a) Within 5 business days of the date of sale of a
10 dwelling structure by installment sales contract, and prior to
11 any subsequent sale or other transfer of interest in the
12 dwelling structure or contract by the seller, the seller shall
13 record the contract with the county recorder of deeds.

14 (b) If the seller fails to record the contract as required
15 by subsection (a) of this Section, the buyer has the right to
16 rescind the contract until such time as the seller records the
17 contract. If the seller fails to record the contract and title
18 to the property becomes clouded for any reason, including, but
19 not limited to, that another person buys the property, a
20 judgment lien is placed on the property, or a consensual
21 mortgage or some other third party interest affecting the title
22 arises, the buyer has the option to rescind, not just before
23 the seller records, but at any time within 90 days of
24 discovering the title problem.

1 (c) Upon rescission under this Section, the seller shall
2 refund to the buyer all money paid to the seller as of the date
3 of rescission. This Section does not limit any other remedies
4 provided to the buyer by this Act or State law.

5 Section 30. Repairs.

6 (a) In all cases not included in the statement required by
7 item (20) of subsection (c) of Section 10, the seller has
8 responsibility for repairs.

9 (b) If the seller deems certain repairs necessary to
10 protect the seller's interest in the property, the seller may,
11 at the seller's own cost, proceed to make the repairs in
12 compliance with this Section. Before the performance of
13 nonemergency repairs on a dwelling unit inhabited by a buyer,
14 the seller shall provide the buyer with at least 72 hours'
15 written notice of the seller's intent to make the proposed
16 repairs.

17 (c) Nothing in this Section limits the buyer's right to
18 obtain the services of a building contractor to make repairs
19 that are chargeable to the buyer under this Act.

20 (d) No seller may require, by contract or otherwise, that
21 only the seller or an agent of the seller may make repairs on a
22 dwelling structure and adjacent property. The buyer has the
23 right to contract with other building contractors to make
24 repairs for which the buyer is financially responsible.

1 Section 35. Account statements.

2 (a) Except as provided in subsection (b), at least once
3 annually and upon the buyer's demand the seller shall, without
4 charge, provide the buyer with an account statement showing
5 payments made during the past year, the principal balance on
6 the contract, and an amortization schedule.

7 (b) A seller is not required to provide a buyer with
8 account statements without charge more than once in any 3-month
9 period unless the buyer's request is made in response to a
10 change in the amount of the buyer's periodic payment amount;
11 however, the seller may not charge the buyer more than the
12 reasonable costs of copying and producing the account
13 statement.

14 Section 40. Transfer of payments. The seller shall duly
15 record and credit the account of a buyer for all payments made
16 on the principal balance of the installment sales contract. A
17 seller shall not use payments for any purpose other than to
18 reduce the principal and interest due in accordance with the
19 most recent amortization schedule required under Section 30 or
20 to pay property taxes and insurance, unless the seller first
21 obtains from the buyer a written, signed consent to another use
22 of the funds.

23 Section 45. Insurance proceeds. A seller who receives
24 payment of insurance proceeds as a result of damage to a

1 dwelling structure shall apply the proceeds to the repair of
2 the damage.

3 Section 50. Unlawful acts. It is a violation of this Act
4 for a seller to make an oral or written misrepresentation to a
5 buyer concerning a contract or regarding the buyer's rights or
6 the seller's duties under this Act or to induce a buyer to sign
7 incomplete forms, contracts, notices, or written statements
8 relating to the sale of a dwelling structure.

9 Section 55. No waiver. The provisions of this Act may not
10 be waived by written contract or otherwise. Any contractual
11 provisions or other agreements contrary to this Act are void
12 and unenforceable. It is a violation of this Act to
13 intentionally include in a written contract any provision that
14 is contrary to this Act or any other requirement by a seller
15 that is contrary to this Act.

16 Section 60. Penalties. A person who knowingly violates this
17 Act or fails to perform any duty prescribed by this Act or
18 discloses any information required by this Act that he or she
19 knows to be false shall be liable in the amount of actual
20 damages and court costs, and the court may award reasonable
21 attorney's fees incurred by the prevailing party.

22 Section 905. The Code of Civil Procedure is amended by

1 changing Section 15-1106 as follows:

2 (735 ILCS 5/15-1106) (from Ch. 110, par. 15-1106)

3 Sec. 15-1106. Applicability of Article.

4 (a) Exclusive Procedure. From and after July 1, 1987 (the
5 effective date of Public Act 84-1462) ~~this amendatory Act of~~
6 ~~1986~~, the following shall be foreclosed in a foreclosure
7 pursuant to this Article:

8 (1) any mortgage created prior to, on or after July 1,
9 1987 (the effective date of Public Act 84-1462) ~~this~~
10 ~~amendatory Act of 1986~~;

11 (2) any real estate installment contract for
12 residential real estate entered into on or after July 1,
13 1987 (the effective date of Public Act 84-1462) ~~this~~
14 ~~amendatory Act of 1986~~ and under which (i) the purchase
15 price is to be paid in installments over a period in excess
16 of one year ~~five years~~ and (ii) the amount unpaid under the
17 terms of the contract at the time of the filing of the
18 foreclosure complaint, including principal and due and
19 unpaid interest, at the rate prior to default, is less than
20 90% ~~80%~~ of the original purchase price of the real estate
21 as stated in the contract;

22 (3) any collateral assignment of beneficial interest
23 made on or after July 1, 1987 (the effective date of Public
24 Act 84-1462) ~~this amendatory Act of 1986~~ (i) which is made
25 with respect to a land trust which was created

1 contemporaneously with the collateral assignment of
2 beneficial interest, (ii) which is made pursuant to a
3 requirement of the holder of the obligation to secure the
4 payment of money or performance of other obligations and
5 (iii) as to which the security agreement or other writing
6 creating the collateral assignment permits the real estate
7 which is the subject of the land trust to be sold to
8 satisfy the obligations.

9 (b) Uniform Commercial Code. A secured party, as defined in
10 Article 9 of the Uniform Commercial Code, may at its election
11 enforce its security interest in a foreclosure under this
12 Article if its security interest was created on or after July
13 1, 1987 (the effective date of Public Act 84-1462) ~~this~~
14 ~~amendatory Act of 1986~~ and is created by (i) a collateral
15 assignment of beneficial interest in a land trust or (ii) an
16 assignment for security of a buyer's interest in a real estate
17 installment contract. Such election shall be made by filing a
18 complaint stating that it is brought under this Article, in
19 which event the provisions of this Article shall be exclusive
20 in such foreclosure.

21 (c) Real Estate Installment Contracts. A contract seller
22 may at its election enforce in a foreclosure under this Article
23 any real estate installment contract entered into on or after
24 July 1, 1987 (the effective date of Public Act 84-1462) ~~this~~
25 ~~Amendatory Act of 1986~~ and not required to be foreclosed under
26 this Article. Such election shall be made by filing a complaint

1 stating that it is brought under this Article, in which event
2 the provisions of this Article shall be exclusive in such
3 foreclosure. A contract seller must enforce its contract under
4 this Article if the real estate installment contract is one
5 described in paragraph (2) of subsection (a) of this Section
6 ~~15-1106~~.

7 (d) Effect of Election. An election made pursuant to
8 subsection (b) or (c) of this Section ~~15-1106~~ shall be binding
9 only in the foreclosure and shall be void if the foreclosure is
10 terminated prior to entry of judgment.

11 (e) Supplementary General Principles of Law. General
12 principles of law and equity, such as those relating to
13 capacity to contract, principal and agent, marshalling of
14 assets, priority, subrogation, estoppel, fraud,
15 misrepresentations, duress, collusion, mistake, bankruptcy or
16 other validating or invalidating cause, supplement this
17 Article unless displaced by a particular provision of it.
18 Section 9-110 of this ~~the Code of Civil Procedure~~ shall not be
19 applicable to any real estate installment contract which is
20 foreclosed under this Article.

21 (f) Pending Actions. A complaint to foreclose a mortgage
22 filed before July 1, 1987, and all proceedings and third party
23 actions in connection therewith, shall be adjudicated pursuant
24 to the Illinois statutes and applicable law in effect
25 immediately prior to July 1, 1987. Such statutes shall remain
26 in effect with respect to such complaint, proceedings and third

1 party actions notwithstanding the amendment or repeal of such
2 statutes on or after July 1, 1987.

3 (Source: P.A. 85-907.)

4 (765 ILCS 70/Act rep.)

5 Section 910. The Dwelling Structure Contract Act is
6 repealed.

7 (765 ILCS 75/Act rep.)

8 Section 915. The Dwelling Unit Installment Contract Act is
9 repealed.

10 Section 920. The Condominium Property Act is amended by
11 changing Sections 18 and 18.5 as follows:

12 (765 ILCS 605/18) (from Ch. 30, par. 318)

13 Sec. 18. Contents of bylaws. The bylaws shall provide for
14 at least the following:

15 (a) (1) The election from among the unit owners of a
16 board of managers, the number of persons constituting such
17 board, and that the terms of at least one-third of the
18 members of the board shall expire annually and that all
19 members of the board shall be elected at large; if there
20 are multiple owners of a single unit, only one of the
21 multiple owners shall be eligible to serve as a member of
22 the board at any one time;

1 (2) the powers and duties of the board;

2 (3) the compensation, if any, of the members of the
3 board;

4 (4) the method of removal from office of members of the
5 board;

6 (5) that the board may engage the services of a manager
7 or managing agent;

8 (6) that each unit owner shall receive, at least 25
9 days prior to the adoption thereof by the board of
10 managers, a copy of the proposed annual budget together
11 with an indication of which portions are intended for
12 reserves, capital expenditures or repairs or payment of
13 real estate taxes;

14 (7) that the board of managers shall annually supply to
15 all unit owners an itemized accounting of the common
16 expenses for the preceding year actually incurred or paid,
17 together with an indication of which portions were for
18 reserves, capital expenditures or repairs or payment of
19 real estate taxes and with a tabulation of the amounts
20 collected pursuant to the budget or assessment, and showing
21 the net excess or deficit of income over expenditures plus
22 reserves;

23 (8) (i) that each unit owner shall receive notice, in
24 the same manner as is provided in this Act for membership
25 meetings, of any meeting of the board of managers
26 concerning the adoption of the proposed annual budget and

1 regular assessments pursuant thereto or to adopt a separate
2 (special) assessment, (ii) that except as provided in
3 subsection (iv) below, if an adopted budget or any separate
4 assessment adopted by the board would result in the sum of
5 all regular and separate assessments payable in the current
6 fiscal year exceeding 115% of the sum of all regular and
7 separate assessments payable during the preceding fiscal
8 year, the board of managers, upon written petition by unit
9 owners with 20 percent of the votes of the association
10 delivered to the board within 14 days of the board action,
11 shall call a meeting of the unit owners within 30 days of
12 the date of delivery of the petition to consider the budget
13 or separate assessment; unless a majority of the total
14 votes of the unit owners are cast at the meeting to reject
15 the budget or separate assessment, it is ratified, (iii)
16 that any common expense not set forth in the budget or any
17 increase in assessments over the amount adopted in the
18 budget shall be separately assessed against all unit
19 owners, (iv) that separate assessments for expenditures
20 relating to emergencies or mandated by law may be adopted
21 by the board of managers without being subject to unit
22 owner approval or the provisions of item (ii) above or item
23 (v) below. As used herein, "emergency" means an immediate
24 danger to the structural integrity of the common elements
25 or to the life, health, safety or property of the unit
26 owners, (v) that assessments for additions and alterations

1 to the common elements or to association-owned property not
2 included in the adopted annual budget, shall be separately
3 assessed and are subject to approval of two-thirds of the
4 total votes of all unit owners, (vi) that the board of
5 managers may adopt separate assessments payable over more
6 than one fiscal year. With respect to multi-year
7 assessments not governed by items (iv) and (v), the entire
8 amount of the multi-year assessment shall be deemed
9 considered and authorized in the first fiscal year in which
10 the assessment is approved;

11 (9) (A) that every meeting of the board of managers
12 shall be open to any unit owner, except that the board may
13 close any portion of a noticed meeting or meet separately
14 from a noticed meeting to: (i) discuss litigation when an
15 action against or on behalf of the particular association
16 has been filed and is pending in a court or administrative
17 tribunal, or when the board of managers finds that such an
18 action is probable or imminent, (ii) discuss the
19 appointment, employment, engagement, or dismissal of an
20 employee, independent contractor, agent, or other provider
21 of goods and services, (iii) interview a potential
22 employee, independent contractor, agent, or other provider
23 of goods and services, (iv) discuss violations of rules and
24 regulations of the association, (v) discuss a unit owner's
25 unpaid share of common expenses, or (vi) consult with the
26 association's legal counsel; that any vote on these matters

1 shall take place at a meeting of the board of managers or
2 portion thereof open to any unit owner;

3 (B) that board members may participate in and act at
4 any meeting of the board of managers in person, by
5 telephonic means, or by use of any acceptable technological
6 means whereby all persons participating in the meeting can
7 communicate with each other; that participation
8 constitutes attendance and presence in person at the
9 meeting;

10 (C) that any unit owner may record the proceedings at
11 meetings of the board of managers or portions thereof
12 required to be open by this Act by tape, film or other
13 means, and that the board may prescribe reasonable rules
14 and regulations to govern the right to make such
15 recordings;

16 (D) that notice of every meeting of the board of
17 managers shall be given to every board member at least 48
18 hours prior thereto, unless the board member waives notice
19 of the meeting pursuant to subsection (a) of Section 18.8;
20 and

21 (E) that notice of every meeting of the board of
22 managers shall be posted in entranceways, elevators, or
23 other conspicuous places in the condominium at least 48
24 hours prior to the meeting of the board of managers except
25 where there is no common entranceway for 7 or more units,
26 the board of managers may designate one or more locations

1 in the proximity of these units where the notices of
2 meetings shall be posted; that notice of every meeting of
3 the board of managers shall also be given at least 48 hours
4 prior to the meeting, or such longer notice as this Act may
5 separately require, to: (i) each unit owner who has
6 provided the association with written authorization to
7 conduct business by acceptable technological means, and
8 (ii) to the extent that the condominium instruments of an
9 association require, to each other unit owner, as required
10 by subsection (f) of Section 18.8, by mail or delivery, and
11 that no other notice of a meeting of the board of managers
12 need be given to any unit owner;

13 (10) that the board shall meet at least 4 times
14 annually;

15 (11) that no member of the board or officer shall be
16 elected for a term of more than 2 years, but that officers
17 and board members may succeed themselves;

18 (12) the designation of an officer to mail and receive
19 all notices and execute amendments to condominium
20 instruments as provided for in this Act and in the
21 condominium instruments;

22 (13) the method of filling vacancies on the board which
23 shall include authority for the remaining members of the
24 board to fill the vacancy by two-thirds vote until the next
25 annual meeting of unit owners or for a period terminating
26 no later than 30 days following the filing of a petition

1 signed by unit owners holding 20% of the votes of the
2 association requesting a meeting of the unit owners to fill
3 the vacancy for the balance of the term, and that a meeting
4 of the unit owners shall be called for purposes of filling
5 a vacancy on the board no later than 30 days following the
6 filing of a petition signed by unit owners holding 20% of
7 the votes of the association requesting such a meeting, and
8 the method of filling vacancies among the officers that
9 shall include the authority for the members of the board to
10 fill the vacancy for the unexpired portion of the term;

11 (14) what percentage of the board of managers, if other
12 than a majority, shall constitute a quorum;

13 (15) provisions concerning notice of board meetings to
14 members of the board;

15 (16) the board of managers may not enter into a
16 contract with a current board member or with a corporation
17 or partnership in which a board member or a member of the
18 board member's immediate family has 25% or more interest,
19 unless notice of intent to enter the contract is given to
20 unit owners within 20 days after a decision is made to
21 enter into the contract and the unit owners are afforded an
22 opportunity by filing a petition, signed by 20% of the unit
23 owners, for an election to approve or disapprove the
24 contract; such petition shall be filed within 20 days after
25 such notice and such election shall be held within 30 days
26 after filing the petition; for purposes of this subsection,

1 a board member's immediate family means the board member's
2 spouse, parents, and children;

3 (17) that the board of managers may disseminate to unit
4 owners biographical and background information about
5 candidates for election to the board if (i) reasonable
6 efforts to identify all candidates are made and all
7 candidates are given an opportunity to include
8 biographical and background information in the information
9 to be disseminated; and (ii) the board does not express a
10 preference in favor of any candidate;

11 (18) any proxy distributed for board elections by the
12 board of managers gives unit owners the opportunity to
13 designate any person as the proxy holder, and gives the
14 unit owner the opportunity to express a preference for any
15 of the known candidates for the board or to write in a
16 name;

17 (19) that special meetings of the board of managers can
18 be called by the president or 25% of the members of the
19 board;

20 (20) that the board of managers may establish and
21 maintain a system of master metering of public utility
22 services and collect payments in connection therewith,
23 subject to the requirements of the Tenant Utility Payment
24 Disclosure Act; and

25 (21) that the board may ratify and confirm actions of
26 the members of the board taken in response to an emergency,

1 as that term is defined in subdivision (a) (8) (iv) of this
2 Section; that the board shall give notice to the unit
3 owners of: (i) the occurrence of the emergency event within
4 7 business days after the emergency event, and (ii) the
5 general description of the actions taken to address the
6 event within 7 days after the emergency event.

7 The intent of the provisions of Public Act 99-472
8 adding this paragraph (21) is to empower and support boards
9 to act in emergencies.

10 (b) (1) What percentage of the unit owners, if other
11 than 20%, shall constitute a quorum provided that, for
12 condominiums with 20 or more units, the percentage of unit
13 owners constituting a quorum shall be 20% unless the unit
14 owners holding a majority of the percentage interest in the
15 association provide for a higher percentage, provided that
16 in voting on amendments to the association's bylaws, a unit
17 owner who is in arrears on the unit owner's regular or
18 separate assessments for 60 days or more, shall not be
19 counted for purposes of determining if a quorum is present,
20 but that unit owner retains the right to vote on amendments
21 to the association's bylaws;

22 (2) that the association shall have one class of
23 membership;

24 (3) that the members shall hold an annual meeting, one
25 of the purposes of which shall be to elect members of the
26 board of managers;

1 (4) the method of calling meetings of the unit owners;

2 (5) that special meetings of the members can be called
3 by the president, board of managers, or by 20% of unit
4 owners;

5 (6) that written notice of any membership meeting shall
6 be mailed or delivered giving members no less than 10 and
7 no more than 30 days notice of the time, place and purpose
8 of such meeting except that notice may be sent, to the
9 extent the condominium instruments or rules adopted
10 thereunder expressly so provide, by electronic
11 transmission consented to by the unit owner to whom the
12 notice is given, provided the director and officer or his
13 agent certifies in writing to the delivery by electronic
14 transmission;

15 (7) that voting shall be on a percentage basis, and
16 that the percentage vote to which each unit is entitled is
17 the percentage interest of the undivided ownership of the
18 common elements appurtenant thereto, provided that the
19 bylaws may provide for approval by unit owners in
20 connection with matters where the requisite approval on a
21 percentage basis is not specified in this Act, on the basis
22 of one vote per unit;

23 (8) that, where there is more than one owner of a unit,
24 if only one of the multiple owners is present at a meeting
25 of the association, he is entitled to cast all the votes
26 allocated to that unit, if more than one of the multiple

1 owners are present, the votes allocated to that unit may be
2 cast only in accordance with the agreement of a majority in
3 interest of the multiple owners, unless the declaration
4 expressly provides otherwise, that there is majority
5 agreement if any one of the multiple owners cast the votes
6 allocated to that unit without protest being made promptly
7 to the person presiding over the meeting by any of the
8 other owners of the unit;

9 (9) (A) except as provided in subparagraph (B) of this
10 paragraph (9) in connection with board elections, that a
11 unit owner may vote by proxy executed in writing by the
12 unit owner or by his duly authorized attorney in fact; that
13 the proxy must bear the date of execution and, unless the
14 condominium instruments or the written proxy itself
15 provide otherwise, is invalid after 11 months from the date
16 of its execution; to the extent the condominium instruments
17 or rules adopted thereunder expressly so provide, a vote or
18 proxy may be submitted by electronic transmission,
19 provided that any such electronic transmission shall
20 either set forth or be submitted with information from
21 which it can be determined that the electronic transmission
22 was authorized by the unit owner or the unit owner's proxy;

23 (B) that if a rule adopted at least 120 days before a
24 board election or the declaration or bylaws provide for
25 balloting as set forth in this subsection, unit owners may
26 not vote by proxy in board elections, but may vote only (i)

1 by submitting an association-issued ballot in person at the
2 election meeting or (ii) by submitting an
3 association-issued ballot to the association or its
4 designated agent by mail or other means of delivery
5 specified in the declaration, bylaws, or rule; that the
6 ballots shall be mailed or otherwise distributed to unit
7 owners not less than 10 and not more than 30 days before
8 the election meeting, and the board shall give unit owners
9 not less than 21 days' prior written notice of the deadline
10 for inclusion of a candidate's name on the ballots; that
11 the deadline shall be no more than 7 days before the
12 ballots are mailed or otherwise distributed to unit owners;
13 that every such ballot must include the names of all
14 candidates who have given the board or its authorized agent
15 timely written notice of their candidacy and must give the
16 person casting the ballot the opportunity to cast votes for
17 candidates whose names do not appear on the ballot; that a
18 ballot received by the association or its designated agent
19 after the close of voting shall not be counted; that a unit
20 owner who submits a ballot by mail or other means of
21 delivery specified in the declaration, bylaws, or rule may
22 request and cast a ballot in person at the election
23 meeting, and thereby void any ballot previously submitted
24 by that unit owner;

25 (B-5) that if a rule adopted at least 120 days before a
26 board election or the declaration or bylaws provide for

1 balloting as set forth in this subparagraph, unit owners
2 may not vote by proxy in board elections, but may vote only
3 (i) by submitting an association-issued ballot in person at
4 the election meeting; or (ii) by any acceptable
5 technological means as defined in Section 2 of this Act;
6 instructions regarding the use of electronic means for
7 voting shall be distributed to all unit owners not less
8 than 10 and not more than 30 days before the election
9 meeting, and the board shall give unit owners not less than
10 21 days' prior written notice of the deadline for inclusion
11 of a candidate's name on the ballots; the deadline shall be
12 no more than 7 days before the instructions for voting
13 using electronic or acceptable technological means is
14 distributed to unit owners; every instruction notice must
15 include the names of all candidates who have given the
16 board or its authorized agent timely written notice of
17 their candidacy and must give the person voting through
18 electronic or acceptable technological means the
19 opportunity to cast votes for candidates whose names do not
20 appear on the ballot; a unit owner who submits a vote using
21 electronic or acceptable technological means may request
22 and cast a ballot in person at the election meeting,
23 thereby voiding any vote previously submitted by that unit
24 owner;

25 (C) that if a written petition by unit owners with at
26 least 20% of the votes of the association is delivered to

1 the board within 14 days after the board's approval of a
2 rule adopted pursuant to subparagraph (B) or subparagraph
3 (B-5) of this paragraph (9), the board shall call a meeting
4 of the unit owners within 30 days after the date of
5 delivery of the petition; that unless a majority of the
6 total votes of the unit owners are cast at the meeting to
7 reject the rule, the rule is ratified;

8 (D) that votes cast by ballot under subparagraph (B) or
9 electronic or acceptable technological means under
10 subparagraph (B-5) of this paragraph (9) are valid for the
11 purpose of establishing a quorum;

12 (10) that the association may, upon adoption of the
13 appropriate rules by the board of managers, conduct
14 elections by secret ballot whereby the voting ballot is
15 marked only with the percentage interest for the unit and
16 the vote itself, provided that the board further adopt
17 rules to verify the status of the unit owner issuing a
18 proxy or casting a ballot; and further, that a candidate
19 for election to the board of managers or such candidate's
20 representative shall have the right to be present at the
21 counting of ballots at such election;

22 (11) that in the event of a resale of a condominium
23 unit the purchaser of a unit from a seller other than the
24 developer pursuant to an installment sales contract for
25 purchase shall during such times as he or she resides in
26 the unit be counted toward a quorum for purposes of

1 election of members of the board of managers at any meeting
2 of the unit owners called for purposes of electing members
3 of the board, shall have the right to vote for the election
4 of members of the board of managers and to be elected to
5 and serve on the board of managers unless the seller
6 expressly retains in writing any or all of such rights. In
7 no event may the seller and purchaser both be counted
8 toward a quorum, be permitted to vote for a particular
9 office or be elected and serve on the board. Satisfactory
10 evidence of the installment sales contract shall be made
11 available to the association or its agents. For purposes of
12 this subsection, "installment sales contract" shall have
13 the same meaning as set forth in Section 5 of the
14 Installment Sales Contract Act ~~Section 1(e) of the Dwelling~~
15 ~~Unit Installment Contract Act;~~

16 (12) the method by which matters subject to the
17 approval of unit owners set forth in this Act, or in the
18 condominium instruments, will be submitted to the unit
19 owners at special membership meetings called for such
20 purposes; and

21 (13) that matters subject to the affirmative vote of
22 not less than 2/3 of the votes of unit owners at a meeting
23 duly called for that purpose, shall include, but not be
24 limited to:

25 (i) merger or consolidation of the association;

26 (ii) sale, lease, exchange, or other disposition

1 (excluding the mortgage or pledge) of all, or
2 substantially all of the property and assets of the
3 association; and

4 (iii) the purchase or sale of land or of units on
5 behalf of all unit owners.

6 (c) Election of a president from among the board of
7 managers, who shall preside over the meetings of the board
8 of managers and of the unit owners.

9 (d) Election of a secretary from among the board of
10 managers, who shall keep the minutes of all meetings of the
11 board of managers and of the unit owners and who shall, in
12 general, perform all the duties incident to the office of
13 secretary.

14 (e) Election of a treasurer from among the board of
15 managers, who shall keep the financial records and books of
16 account.

17 (f) Maintenance, repair and replacement of the common
18 elements and payments therefor, including the method of
19 approving payment vouchers.

20 (g) An association with 30 or more units shall obtain
21 and maintain fidelity insurance covering persons who
22 control or disburse funds of the association for the
23 maximum amount of coverage available to protect funds in
24 the custody or control of the association plus the
25 association reserve fund. All management companies which
26 are responsible for the funds held or administered by the

1 association shall maintain and furnish to the association a
2 fidelity bond for the maximum amount of coverage available
3 to protect funds in the custody of the management company
4 at any time. The association shall bear the cost of the
5 fidelity insurance and fidelity bond, unless otherwise
6 provided by contract between the association and a
7 management company. The association shall be the direct
8 obligee of any such fidelity bond. A management company
9 holding reserve funds of an association shall at all times
10 maintain a separate account for each association,
11 provided, however, that for investment purposes, the Board
12 of Managers of an association may authorize a management
13 company to maintain the association's reserve funds in a
14 single interest bearing account with similar funds of other
15 associations. The management company shall at all times
16 maintain records identifying all moneys of each
17 association in such investment account. The management
18 company may hold all operating funds of associations which
19 it manages in a single operating account but shall at all
20 times maintain records identifying all moneys of each
21 association in such operating account. Such operating and
22 reserve funds held by the management company for the
23 association shall not be subject to attachment by any
24 creditor of the management company.

25 For the purpose of this subsection, a management
26 company shall be defined as a person, partnership,

1 corporation, or other legal entity entitled to transact
2 business on behalf of others, acting on behalf of or as an
3 agent for a unit owner, unit owners or association of unit
4 owners for the purpose of carrying out the duties,
5 responsibilities, and other obligations necessary for the
6 day to day operation and management of any property subject
7 to this Act. For purposes of this subsection, the term
8 "fiduciary insurance coverage" shall be defined as both a
9 fidelity bond and directors and officers liability
10 coverage, the fidelity bond in the full amount of
11 association funds and association reserves that will be in
12 the custody of the association, and the directors and
13 officers liability coverage at a level as shall be
14 determined to be reasonable by the board of managers, if
15 not otherwise established by the declaration or by laws.

16 Until one year after September 21, 1985 (the effective
17 date of Public Act 84-722), if a condominium association
18 has reserves plus assessments in excess of \$250,000 and
19 cannot reasonably obtain 100% fidelity bond coverage for
20 such amount, then it must obtain a fidelity bond coverage
21 of \$250,000.

22 (h) Method of estimating the amount of the annual
23 budget, and the manner of assessing and collecting from the
24 unit owners their respective shares of such estimated
25 expenses, and of any other expenses lawfully agreed upon.

26 (i) That upon 10 days notice to the manager or board of

1 managers and payment of a reasonable fee, any unit owner
2 shall be furnished a statement of his account setting forth
3 the amount of any unpaid assessments or other charges due
4 and owing from such owner.

5 (j) Designation and removal of personnel necessary for
6 the maintenance, repair and replacement of the common
7 elements.

8 (k) Such restrictions on and requirements respecting
9 the use and maintenance of the units and the use of the
10 common elements, not set forth in the declaration, as are
11 designed to prevent unreasonable interference with the use
12 of their respective units and of the common elements by the
13 several unit owners.

14 (l) Method of adopting and of amending administrative
15 rules and regulations governing the operation and use of
16 the common elements.

17 (m) The percentage of votes required to modify or amend
18 the bylaws, but each one of the particulars set forth in
19 this section shall always be embodied in the bylaws.

20 (n)(i) The provisions of this Act, the declaration,
21 bylaws, other condominium instruments, and rules and
22 regulations that relate to the use of the individual unit
23 or the common elements shall be applicable to any person
24 leasing a unit and shall be deemed to be incorporated in
25 any lease executed or renewed on or after August 30, 1984
26 (the effective date of Public Act 83-1271).

1 (ii) With regard to any lease entered into subsequent
2 to July 1, 1990 (the effective date of Public Act 86-991),
3 the unit owner leasing the unit shall deliver a copy of the
4 signed lease to the board or if the lease is oral, a
5 memorandum of the lease, not later than the date of
6 occupancy or 10 days after the lease is signed, whichever
7 occurs first. In addition to any other remedies, by filing
8 an action jointly against the tenant and the unit owner, an
9 association may seek to enjoin a tenant from occupying a
10 unit or seek to evict a tenant under the provisions of
11 Article IX of the Code of Civil Procedure for failure of
12 the lessor-owner to comply with the leasing requirements
13 prescribed by this Section or by the declaration, bylaws,
14 and rules and regulations. The board of managers may
15 proceed directly against a tenant, at law or in equity, or
16 under the provisions of Article IX of the Code of Civil
17 Procedure, for any other breach by tenant of any covenants,
18 rules, regulations or bylaws.

19 (o) The association shall have no authority to forbear
20 the payment of assessments by any unit owner.

21 (p) That when 30% or fewer of the units, by number,
22 possess over 50% in the aggregate of the votes in the
23 association, any percentage vote of members specified
24 herein or in the condominium instruments shall require the
25 specified percentage by number of units rather than by
26 percentage of interest in the common elements allocated to

1 units that would otherwise be applicable and garage units
2 or storage units, or both, shall have, in total, no more
3 votes than their aggregate percentage of ownership in the
4 common elements; this shall mean that if garage units or
5 storage units, or both, are to be given a vote, or portion
6 of a vote, that the association must add the total number
7 of votes cast of garage units, storage units, or both, and
8 divide the total by the number of garage units, storage
9 units, or both, and multiply by the aggregate percentage of
10 ownership of garage units and storage units to determine
11 the vote, or portion of a vote, that garage units or
12 storage units, or both, have. For purposes of this
13 subsection (p), when making a determination of whether 30%
14 or fewer of the units, by number, possess over 50% in the
15 aggregate of the votes in the association, a unit shall not
16 include a garage unit or a storage unit.

17 (q) That a unit owner may not assign, delegate,
18 transfer, surrender, or avoid the duties,
19 responsibilities, and liabilities of a unit owner under
20 this Act, the condominium instruments, or the rules and
21 regulations of the Association; and that such an attempted
22 assignment, delegation, transfer, surrender, or avoidance
23 shall be deemed void.

24 The provisions of this Section are applicable to all
25 condominium instruments recorded under this Act. Any portion of
26 a condominium instrument which contains provisions contrary to

1 these provisions shall be void as against public policy and
2 ineffective. Any such instrument which fails to contain the
3 provisions required by this Section shall be deemed to
4 incorporate such provisions by operation of law.

5 (Source: P.A. 98-1042, eff. 1-1-15; 99-472, eff. 6-1-16;
6 99-567, eff. 1-1-17; 99-642, eff. 7-28-16.)

7 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

8 Sec. 18.5. Master Associations.

9 (a) If the declaration, other condominium instrument, or
10 other duly recorded covenants provide that any of the powers of
11 the unit owners associations are to be exercised by or may be
12 delegated to a nonprofit corporation or unincorporated
13 association that exercises those or other powers on behalf of
14 one or more condominiums, or for the benefit of the unit owners
15 of one or more condominiums, such corporation or association
16 shall be a master association.

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

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

25 (c) Meetings and finances.

1 (1) Each unit owner of a condominium subject to the
2 authority of the board of the master association shall
3 receive, at least 30 days prior to the adoption thereof by
4 the board of the master association, a copy of the proposed
5 annual budget.

6 (2) The board of the master association shall annually
7 supply to all unit owners of condominiums subject to the
8 authority of the board of the master association an
9 itemized accounting of the common expenses for the
10 preceding year actually incurred or paid, together with a
11 tabulation of the amounts collected pursuant to the budget
12 or assessment, and showing the net excess or deficit of
13 income over expenditures plus reserves.

14 (3) Each unit owner of a condominium subject to the
15 authority of the board of the master association shall
16 receive written notice mailed or delivered no less than 10
17 and no more than 30 days prior to any meeting of the board
18 of the master association concerning the adoption of the
19 proposed annual budget or any increase in the budget, or
20 establishment of an assessment.

21 (4) Meetings of the board of the master association
22 shall be open to any unit owner in a condominium subject to
23 the authority of the board of the master association,
24 except for the portion of any meeting held:

25 (A) to discuss litigation when an action against or
26 on behalf of the particular master association has been

1 filed and is pending in a court or administrative
2 tribunal, or when the board of the master association
3 finds that such an action is probable or imminent,

4 (B) to consider information regarding appointment,
5 employment or dismissal of an employee, or

6 (C) to discuss violations of rules and regulations
7 of the master association or unpaid common expenses
8 owed to the master association.

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

12 Any unit owner may record the proceedings at meetings
13 required to be open by this Act by tape, film or other
14 means; the board may prescribe reasonable rules and
15 regulations to govern the right to make such recordings.
16 Notice of meetings shall be mailed or delivered at least 48
17 hours prior thereto, unless a written waiver of such notice
18 is signed by the persons entitled to notice before the
19 meeting is convened. Copies of notices of meetings of the
20 board of the master association shall be posted in
21 entranceways, elevators, or other conspicuous places in
22 the condominium at least 48 hours prior to the meeting of
23 the board of the master association. Where there is no
24 common entranceway for 7 or more units, the board of the
25 master association may designate one or more locations in
26 the proximity of these units where the notices of meetings

1 shall be posted.

2 (5) If the declaration provides for election by unit
3 owners of members of the board of directors in the event of
4 a resale of a unit in the master association, the purchaser
5 of a unit from a seller other than the developer pursuant
6 to an installment sales contract for purchase shall, during
7 such times as he or she resides in the unit, be counted
8 toward a quorum for purposes of election of members of the
9 board of directors at any meeting of the unit owners called
10 for purposes of electing members of the board, and shall
11 have the right to vote for the election of members of the
12 board of directors and to be elected to and serve on the
13 board of directors unless the seller expressly retains in
14 writing any or all of those rights. In no event may the
15 seller and purchaser both be counted toward a quorum, be
16 permitted to vote for a particular office, or be elected
17 and serve on the board. Satisfactory evidence of the
18 installment sales contract shall be made available to the
19 association or its agents. For purposes of this subsection,
20 "installment sales contract" shall have the same meaning as
21 set forth in Section 5 of the Installment Sales Contract
22 Act subsection (c) of Section 1 of the Dwelling Unit
23 Installment Contract Act.

24 (6) The board of the master association shall have the
25 authority to establish and maintain a system of master
26 metering of public utility services and to collect payments

1 in connection therewith, subject to the requirements of the
2 Tenant Utility Payment Disclosure Act.

3 (7) The board of the master association or a common
4 interest community association shall have the power, after
5 notice and an opportunity to be heard, to levy and collect
6 reasonable fines from members for violations of the
7 declaration, bylaws, and rules and regulations of the
8 master association or the common interest community
9 association. Nothing contained in this subdivision (7)
10 shall give rise to a statutory lien for unpaid fines.

11 (8) Other than attorney's fees, no fees pertaining to
12 the collection of a unit owner's financial obligation to
13 the Association, including fees charged by a manager or
14 managing agent, shall be added to and deemed a part of an
15 owner's respective share of the common expenses unless: (i)
16 the managing agent fees relate to the costs to collect
17 common expenses for the Association; (ii) the fees are set
18 forth in a contract between the managing agent and the
19 Association; and (iii) the authority to add the management
20 fees to an owner's respective share of the common expenses
21 is specifically stated in the declaration or bylaws of the
22 Association.

23 (d) Records.

24 (1) The board of the master association shall maintain
25 the following records of the association and make them
26 available for examination and copying at convenient hours

1 of weekdays by any unit owners in a condominium subject to
2 the authority of the board or their mortgagees and their
3 duly authorized agents or attorneys:

4 (i) Copies of the recorded declaration, other
5 condominium instruments, other duly recorded covenants
6 and bylaws and any amendments, articles of
7 incorporation of the master association, annual
8 reports and any rules and regulations adopted by the
9 master association or its board shall be available.
10 Prior to the organization of the master association,
11 the developer shall maintain and make available the
12 records set forth in this subdivision (d)(1) for
13 examination and copying.

14 (ii) Detailed and accurate records in
15 chronological order of the receipts and expenditures
16 affecting the common areas, specifying and itemizing
17 the maintenance and repair expenses of the common areas
18 and any other expenses incurred, and copies of all
19 contracts, leases, or other agreements entered into by
20 the master association, shall be maintained.

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

24 (iv) Ballots and proxies related thereto, if any,
25 for any election held for the board of the master
26 association and for any other matters voted on by the

1 unit owners shall be maintained for not less than one
2 year.

3 (v) Such other records of the master association as
4 are available for inspection by members of a
5 not-for-profit corporation pursuant to Section 107.75
6 of the General Not For Profit Corporation Act of 1986
7 shall be maintained.

8 (vi) With respect to units owned by a land trust,
9 if a trustee designates in writing a person to cast
10 votes on behalf of the unit owner, the designation
11 shall remain in effect until a subsequent document is
12 filed with the association.

13 (2) Where a request for records under this subsection
14 is made in writing to the board of managers or its agent,
15 failure to provide the requested record or to respond
16 within 30 days shall be deemed a denial by the board of
17 directors.

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

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

25 (e) The board of directors shall have standing and capacity
26 to act in a representative capacity in relation to matters

1 involving the common areas of the master association or more
2 than one unit, on behalf of the unit owners as their interests
3 may appear.

4 (f) Administration of property prior to election of the
5 initial board of directors.

6 (1) Until the election, by the unit owners or the
7 boards of managers of the underlying condominium
8 associations, of the initial board of directors of a master
9 association whose declaration is recorded on or after
10 August 10, 1990, the same rights, titles, powers,
11 privileges, trusts, duties and obligations that are vested
12 in or imposed upon the board of directors by this Act or in
13 the declaration or other duly recorded covenant shall be
14 held and performed by the developer.

15 (2) The election of the initial board of directors of a
16 master association whose declaration is recorded on or
17 after August 10, 1990, by the unit owners or the boards of
18 managers of the underlying condominium associations, shall
19 be held not later than 60 days after the conveyance by the
20 developer of 75% of the units, or 3 years after the
21 recording of the declaration, whichever is earlier. The
22 developer shall give at least 21 days notice of the meeting
23 to elect the initial board of directors and shall upon
24 request provide to any unit owner, within 3 working days of
25 the request, the names, addresses, and weighted vote of
26 each unit owner entitled to vote at the meeting. Any unit

1 owner shall upon receipt of the request be provided with
2 the same information, within 10 days of the request, with
3 respect to each subsequent meeting to elect members of the
4 board of directors.

5 (3) If the initial board of directors of a master
6 association whose declaration is recorded on or after
7 August 10, 1990 is not elected by the unit owners or the
8 members of the underlying condominium association board of
9 managers at the time established in subdivision (f)(2), the
10 developer shall continue in office for a period of 30 days,
11 whereupon written notice of his resignation shall be sent
12 to all of the unit owners or members of the underlying
13 condominium board of managers entitled to vote at an
14 election for members of the board of directors.

15 (4) Within 60 days following the election of a majority
16 of the board of directors, other than the developer, by
17 unit owners, the developer shall deliver to the board of
18 directors:

19 (i) All original documents as recorded or filed
20 pertaining to the property, its administration, and
21 the association, such as the declaration, articles of
22 incorporation, other instruments, annual reports,
23 minutes, rules and regulations, and contracts, leases,
24 or other agreements entered into by the association. If
25 any original documents are unavailable, a copy may be
26 provided if certified by affidavit of the developer, or

1 an officer or agent of the developer, as being a
2 complete copy of the actual document recorded or filed.

3 (ii) A detailed accounting by the developer,
4 setting forth the source and nature of receipts and
5 expenditures in connection with the management,
6 maintenance and operation of the property, copies of
7 all insurance policies, and a list of any loans or
8 advances to the association which are outstanding.

9 (iii) Association funds, which shall have been at
10 all times segregated from any other moneys of the
11 developer.

12 (iv) A schedule of all real or personal property,
13 equipment and fixtures belonging to the association,
14 including documents transferring the property,
15 warranties, if any, for all real and personal property
16 and equipment, deeds, title insurance policies, and
17 all tax bills.

18 (v) A list of all litigation, administrative
19 action and arbitrations involving the association, any
20 notices of governmental bodies involving actions taken
21 or which may be taken concerning the association,
22 engineering and architectural drawings and
23 specifications as approved by any governmental
24 authority, all other documents filed with any other
25 governmental authority, all governmental certificates,
26 correspondence involving enforcement of any

1 association requirements, copies of any documents
2 relating to disputes involving unit owners, and
3 originals of all documents relating to everything
4 listed in this subparagraph.

5 (vi) If the developer fails to fully comply with
6 this paragraph (4) within the 60 days provided and
7 fails to fully comply within 10 days of written demand
8 mailed by registered or certified mail to his or her
9 last known address, the board may bring an action to
10 compel compliance with this paragraph (4). If the court
11 finds that any of the required deliveries were not made
12 within the required period, the board shall be entitled
13 to recover its reasonable attorneys' fees and costs
14 incurred from and after the date of expiration of the
15 10 day demand.

16 (5) With respect to any master association whose
17 declaration is recorded on or after August 10, 1990, any
18 contract, lease, or other agreement made prior to the
19 election of a majority of the board of directors other than
20 the developer by or on behalf of unit owners or underlying
21 condominium associations, the association or the board of
22 directors, which extends for a period of more than 2 years
23 from the recording of the declaration, shall be subject to
24 cancellation by more than 1/2 of the votes of the unit
25 owners, other than the developer, cast at a special meeting
26 of members called for that purpose during a period of 90

1 days prior to the expiration of the 2 year period if the
2 board of managers is elected by the unit owners, otherwise
3 by more than 1/2 of the underlying condominium board of
4 managers. At least 60 days prior to the expiration of the 2
5 year period, the board of directors, or, if the board is
6 still under developer control, then the board of managers
7 or the developer shall send notice to every unit owner or
8 underlying condominium board of managers, notifying them
9 of this provision, of what contracts, leases and other
10 agreements are affected, and of the procedure for calling a
11 meeting of the unit owners or for action by the underlying
12 condominium board of managers for the purpose of acting to
13 terminate such contracts, leases or other agreements.
14 During the 90 day period the other party to the contract,
15 lease, or other agreement shall also have the right of
16 cancellation.

17 (6) The statute of limitations for any actions in law
18 or equity which the master association may bring shall not
19 begin to run until the unit owners or underlying
20 condominium board of managers have elected a majority of
21 the members of the board of directors.

22 (g) In the event of any resale of a unit in a master
23 association by a unit owner other than the developer, the owner
24 shall obtain from the board of directors and shall make
25 available for inspection to the prospective purchaser, upon
26 demand, the following:

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

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

6 (3) A statement of any capital expenditures
7 anticipated by the association within the current or
8 succeeding 2 fiscal years.

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

12 (5) A copy of the statement of financial condition of
13 the association for the last fiscal year for which such a
14 statement is available.

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

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

19 (8) A statement that any improvements or alterations
20 made to the unit, or any part of the common areas assigned
21 thereto, by the prior unit owner are in good faith believed
22 to be in compliance with the declaration of the master
23 association.

24 The principal officer of the unit owner's association or
25 such other officer as is specifically designated shall furnish
26 the above information when requested to do so in writing,

1 within 30 days of receiving the request.

2 A reasonable fee covering the direct out-of-pocket cost of
3 copying and providing such information may be charged by the
4 association or its board of directors to the unit seller for
5 providing the information.

6 (g-1) The purchaser of a unit of a common interest
7 community at a judicial foreclosure sale, other than a
8 mortgagee, who takes possession of a unit of a common interest
9 community pursuant to a court order or a purchaser who acquires
10 title from a mortgagee shall have the duty to pay the
11 proportionate share, if any, of the common expenses for the
12 unit that would have become due in the absence of any
13 assessment acceleration during the 6 months immediately
14 preceding institution of an action to enforce the collection of
15 assessments and the court costs incurred by the association in
16 an action to enforce the collection that remain unpaid by the
17 owner during whose possession the assessments accrued. If the
18 outstanding assessments and the court costs incurred by the
19 association in an action to enforce the collection are paid at
20 any time during any action to enforce the collection of
21 assessments, the purchaser shall have no obligation to pay any
22 assessments that accrued before he or she acquired title. The
23 notice of sale of a unit of a common interest community under
24 subsection (c) of Section 15-1507 of the Code of Civil
25 Procedure shall state that the purchaser of the unit other than
26 a mortgagee shall pay the assessments and court costs required

1 by this subsection (g-1).

2 (h) Errors and omissions.

3 (1) If there is an omission or error in the declaration
4 or other instrument of the master association, the master
5 association may correct the error or omission by an
6 amendment to the declaration or other instrument, as may be
7 required to conform it to this Act, to any other applicable
8 statute, or to the declaration. The amendment shall be
9 adopted by vote of two-thirds of the members of the board
10 of directors or by a majority vote of the unit owners at a
11 meeting called for that purpose, unless the Act or the
12 declaration of the master association specifically
13 provides for greater percentages or different procedures.

14 (2) If, through a scrivener's error, a unit has not
15 been designated as owning an appropriate undivided share of
16 the common areas or does not bear an appropriate share of
17 the common expenses, or if all of the common expenses or
18 all of the common elements in the condominium have not been
19 distributed in the declaration, so that the sum total of
20 the shares of common areas which have been distributed or
21 the sum total of the shares of the common expenses fail to
22 equal 100%, or if it appears that more than 100% of the
23 common elements or common expenses have been distributed,
24 the error may be corrected by operation of law by filing an
25 amendment to the declaration, approved by vote of
26 two-thirds of the members of the board of directors or a

1 majority vote of the unit owners at a meeting called for
2 that purpose, which proportionately adjusts all percentage
3 interests so that the total is equal to 100%, unless the
4 declaration specifically provides for a different
5 procedure or different percentage vote by the owners of the
6 units and the owners of mortgages thereon affected by
7 modification being made in the undivided interest in the
8 common areas, the number of votes in the unit owners
9 association or the liability for common expenses
10 appertaining to the unit.

11 (3) If an omission or error or a scrivener's error in
12 the declaration or other instrument is corrected by vote of
13 two-thirds of the members of the board of directors
14 pursuant to the authority established in subdivisions
15 (h)(1) or (h)(2) of this Section, the board, upon written
16 petition by unit owners with 20% of the votes of the
17 association or resolutions adopted by the board of managers
18 or board of directors of the condominium and common
19 interest community associations which select 20% of the
20 members of the board of directors of the master
21 association, whichever is applicable, received within 30
22 days of the board action, shall call a meeting of the unit
23 owners or the boards of the condominium and common interest
24 community associations which select members of the board of
25 directors of the master association within 30 days of the
26 filing of the petition or receipt of the condominium and

1 common interest community association resolution to
2 consider the board action. Unless a majority of the votes
3 of the unit owners of the association are cast at the
4 meeting to reject the action, or board of managers or board
5 of directors of condominium and common interest community
6 associations which select over 50% of the members of the
7 board of the master association adopt resolutions prior to
8 the meeting rejecting the action of the board of directors
9 of the master association, it is ratified whether or not a
10 quorum is present.

11 (4) The procedures for amendments set forth in this
12 subsection (h) cannot be used if such an amendment would
13 materially or adversely affect property rights of the unit
14 owners unless the affected unit owners consent in writing.
15 This Section does not restrict the powers of the
16 association to otherwise amend the declaration, bylaws, or
17 other condominium instruments, but authorizes a simple
18 process of amendment requiring a lesser vote for the
19 purpose of correcting defects, errors, or omissions when
20 the property rights of the unit owners are not materially
21 or adversely affected.

22 (5) If there is an omission or error in the declaration
23 or other instruments that may not be corrected by an
24 amendment procedure set forth in subdivision (h)(1) or
25 (h)(2) of this Section, then the circuit court in the
26 county in which the master association is located shall

1 have jurisdiction to hear a petition of one or more of the
2 unit owners thereon or of the association, to correct the
3 error or omission, and the action may be a class action.
4 The court may require that one or more methods of
5 correcting the error or omission be submitted to the unit
6 owners to determine the most acceptable correction. All
7 unit owners in the association must be joined as parties to
8 the action. Service of process on owners may be by
9 publication, but the plaintiff shall furnish all unit
10 owners not personally served with process with copies of
11 the petition and final judgment of the court by certified
12 mail, return receipt requested, at their last known
13 address.

14 (6) Nothing contained in this Section shall be
15 construed to invalidate any provision of a declaration
16 authorizing the developer to amend an instrument prior to
17 the latest date on which the initial membership meeting of
18 the unit owners must be held, whether or not it has
19 actually been held, to bring the instrument into compliance
20 with the legal requirements of the Federal National
21 Mortgage Association, the Federal Home Loan Mortgage
22 Corporation, the Federal Housing Administration, the
23 United States Veterans Administration or their respective
24 successors and assigns.

25 (i) The provisions of subsections (c) through (h) are
26 applicable to all declarations, other condominium instruments,

1 and other duly recorded covenants establishing the powers and
2 duties of the master association recorded under this Act. Any
3 portion of a declaration, other condominium instrument, or
4 other duly recorded covenant establishing the powers and duties
5 of a master association which contains provisions contrary to
6 the provisions of subsection (c) through (h) shall be void as
7 against public policy and ineffective. Any declaration, other
8 condominium instrument, or other duly recorded covenant
9 establishing the powers and duties of the master association
10 which fails to contain the provisions required by subsections
11 (c) through (h) shall be deemed to incorporate such provisions
12 by operation of law.

13 (j) (Blank).

14 (Source: P.A. 96-1045, eff. 7-14-10; 97-535, eff. 1-1-12;
15 97-605, eff. 8-26-11; 97-813, eff. 7-13-12.)

16 Section 999. Effective date. This Act takes effect January
17 1, 2018.