

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 resulting principal balance, and the amount of
12 each periodic payment that will be applied to any interest
13 charged, if applicable, pursuant to the 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 "Business day" means any calendar day except Saturday,
18 Sunday, or a State or federal holiday.

19 "Buyer" means the person who is seeking to obtain title to
20 a property by an installment sales contract or is obligated to
21 make payments to the seller pursuant to the contract.

22 "Date of sale" means the date that both the seller and
23 buyer have signed the written contract.

1 "Dwelling structure" means any private home or residence or
2 any building or structure intended for residential use with not
3 less than one nor more than 4 residential dwelling units.

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

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

15 Section 10. Terms and conditions of installment sales
16 contracts.

17 (a) The seller of residential real estate by installment
18 sales contract shall provide the buyer with a written contract
19 that complies with the requirements set forth in this Section.

20 (b) Until both parties have a copy of the executed contract
21 signed by the buyer and the seller with the signatures
22 notarized, either party has the right to rescind the contract,
23 in addition to all other remedies provided by this Act. Upon
24 rescission, pursuant to this Section, the seller shall refund
25 to the buyer all money paid to the seller as of the date of

1 rescission.

2 (c) An installment sales contract for the sale of a
3 dwelling structure and any residential real estate subject to
4 the contract shall clearly and conspicuously disclose the
5 following:

6 (1) The address, permanent index number, and legal
7 description of the residential real estate subject to the
8 contract.

9 (2) The price of the dwelling structure and any
10 residential real estate subject to the contract.

11 (3) The amount, if any, of any down payment applied to
12 the price of the dwelling structure and any residential
13 real estate subject to the contract and the resulting
14 principal on the loan.

15 (4) The amount of the periodic payment, any grace
16 periods for late payments, late payment fees, and to whom,
17 where, and how the buyer should deliver each payment.

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

20 (6) The term of the loan expressed in years and months
21 and the total number of periodic payments due.

22 (7) The amount, if any, of any balloon payments and
23 when each balloon payment is due.

24 (8) A statement outlining whether the seller or the
25 buyer is responsible for paying real estate taxes and
26 insurance and how responsibilities of the buyer and seller

1 change based on the time period the dwelling or any
2 residential real estate subject to the contract is occupied
3 by the buyer and what percentage of the principal is paid
4 down. In all circumstances not defined in the disclosure
5 required by this subsection, the seller has the
6 responsibility for paying real estate taxes and insurance.

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

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

11 (11) A statement that the amounts listed in items (9)
12 and (10) of this subsection are subject to change each
13 year.

14 (12) The fair cash value as defined in the Property Tax
15 Code and set forth on the real estate tax bill for the year
16 immediately prior to the sale, and the assessed value of
17 the property as set forth on the real estate tax bill for
18 the year immediately prior to the sale.

19 (13) The amount of real estate taxes for the year
20 immediately prior to the sale.

21 (14) Any unpaid amounts owing on prior real estate
22 taxes.

23 (15) The amount of the annual insurance payment for the
24 year immediately prior to the sale.

25 (16) The type of insurance coverage, including, but not
26 limited to, property insurance and title insurance, for the

1 buyer and seller that will be required or provided.

2 (17) The seller's interest in the structure being sold.

3 (18) Any known liens or mortgages or other title
4 limitations existing on the property.

5 (19) An explanation as to when the buyer will obtain
6 the title.

7 (20) A statement defining what repairs the buyer is
8 financially responsible for making to the dwelling
9 structure and any residential real estate subject to the
10 contract, if any, and how responsibilities of the buyer and
11 seller to repair the property change based on the time
12 period the residential real estate subject to the contract
13 is occupied by the buyer and what percentage of the
14 principal is paid down by any repairs made by the buyer. In
15 all circumstances not defined in the disclosure required by
16 this subsection, the seller has the financial
17 responsibility for all repairs required to be made pursuant
18 to the installment sales contract.

19 (21) A statement defining what, if any, alterations of
20 the property must be approved by both the buyer and the
21 seller prior to the alterations being made, including
22 requirements to provide evidence of proper permits,
23 insurance, and lien waiver agreements.

24 (22) Any additional charges or fees due at the time of
25 the date of sale or at a later date.

26 (23) An amortization schedule, as defined in Section 5.

1 (24) A certificate of compliance with applicable
2 dwelling codes, or in the absence of such a certificate:
3 (i) an express written warranty that no notice from any
4 municipality or other governmental authority of a dwelling
5 code violation that existed with respect to the residential
6 real estate or dwelling structure subject to the contract
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 (25) A statement, in large bold font stating in
15 substantially similar form: "NOTE TO BUYER: BEFORE SIGNING
16 THE CONTRACT THE BUYER HAS THE OPTION OF OBTAINING AN
17 INDEPENDENT THIRD PARTY INSPECTION AND/OR APPRAISAL SO
18 THAT THE BUYER CAN DETERMINE THE CONDITION AND ESTIMATED
19 MARKET VALUE OF THE RESIDENTIAL REAL ESTATE AND DECIDE
20 WHETHER TO SIGN THE CONTRACT."

21 (26) If the residential real estate or any dwelling
22 structure thereon that is subject to the contract has been
23 condemned by the unit of government having jurisdiction,
24 the contract shall include a statement, in large bold font
25 stating in substantially similar form: "NOTE TO BUYER: THE
26 RESIDENTIAL REAL ESTATE BEING SOLD THROUGH THIS CONTRACT

1 HAS BEEN CONDEMNED BY THE UNIT OF GOVERNMENT HAVING
2 JURISDICTION."

3 (27) A statement that the seller provided the buyer the
4 installment sales contract disclosure prepared by the
5 Office of the Attorney General as required under Illinois
6 State law. The statement shall include the date on which
7 the buyer was provided with the disclosure, which must be
8 at least 3 full business days before the contract was
9 executed.

10 (28) A statement that: (i) if the buyer defaults in
11 payment, any action brought against the buyer under the
12 contract shall be initiated only after the expiration of 30
13 days from the date of the default; and (ii) a buyer in
14 default may, prior to the expiration of the 30-day period,
15 make all payments, fees and charges currently due under the
16 contract to cure the default.

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

19 Section 15. Applicability of other Acts. An installment
20 sales contract under this Act is subject to the Lead Poisoning
21 Prevention Act, the Residential Real Property Disclosure Act,
22 the Illinois Radon Awareness Act, and the High Risk Home Loan
23 Act. The remedies available to the buyer pursuant to this Act
24 are cumulative and do not preclude any remedies otherwise
25 available to a buyer at law or in equity.

1 Section 20. Recording of contract required.

2 (a) Within 5 business days of the date of sale of any
3 residential real estate or dwelling structure subject to an
4 installment sales contract, and prior to any subsequent sale or
5 other transfer of any interest in the residential real estate,
6 dwelling structure, or contract by the seller, the seller shall
7 record the contract or a memorandum of the contract with the
8 county recorder of deeds. A memorandum of the contract shall be
9 titled "Memorandum of an Installment Sales Contract" either in
10 capital letters or underscored above the body of the
11 memorandum. At a minimum, the memorandum of the contract shall
12 include: the address, permanent index number, and legal
13 description of the residential real estate subject to the
14 contract; the names of the buyer and seller; and the date the
15 contract was executed. The memorandum of the contract shall be
16 signed by the buyer and the seller with the signatures
17 notarized.

18 (b) If the seller fails to record the contract or the
19 memorandum of the contract as required by subsection (a) of
20 this Section, the buyer has the right to rescind the contract
21 until such time as the seller records the contract. If the
22 seller fails to record the contract or the memorandum of the
23 contract and title to the property becomes clouded for any
24 reason, including, but not limited to, that another person buys
25 the property, a judgment lien is placed on the property, or a

1 consensual mortgage or some other third party interest
2 affecting the title arises, the buyer has the option to
3 rescind, not just before the seller records, but at any time
4 within 90 days of discovering the title problem.

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

9 Section 25. Repairs.

10 (a) In all cases not included in the statement required by
11 item (20) of subsection (c) of Section 10, the seller has the
12 responsibility to make and pay for repairs.

13 (b) If the seller deems certain repairs necessary to
14 protect the seller's interest in the property, the seller may,
15 at the seller's own cost, proceed to make the repairs in
16 compliance with this Section. Before the performance of
17 nonemergency repairs on a dwelling unit inhabited by a buyer,
18 the seller shall provide the buyer with at least 72 hours'
19 written notice of the seller's intent to make the proposed
20 repairs. Nothing in this Section limits the seller's right to
21 negotiate or secure recovery of the seller's actual cost to
22 make repairs caused due to negligence or malicious damage on
23 the part of the buyer.

24 (c) Except for limitations included in the statement
25 required by item (20) of subsection (c) of Section 10, nothing

1 in this Section limits the buyer's right to obtain the services
2 of a building contractor to make repairs that are chargeable to
3 the buyer under this Act.

4 (d) No seller may require, by contract or otherwise, that
5 only the seller or an agent of the seller may make repairs. The
6 buyer has the right to contract with other building contractors
7 to make repairs for which the buyer is financially responsible.

8 Section 30. Account statements.

9 (a) The seller shall provide the buyer with an account
10 statement, including amounts applied to principal, interest,
11 tax, insurance, fees, and other charges, upon the buyer's
12 request.

13 (b) A seller is not required to provide a buyer with
14 account statements without charge more than once in any
15 12-month period.

16 (c) If the buyer's request for an account statement is made
17 in response to a change in the terms of an installment sales
18 contract, then the seller must provide the account statement
19 without charge.

20 (d) For other buyer requests for account statements, the
21 seller may not charge the buyer more than the reasonable costs
22 of copying and producing the account statement.

23 Section 35. Insurance proceeds. A buyer or seller who
24 receives payment of insurance proceeds as a result of damage to

1 a dwelling structure shall apply the proceeds to the repair of
2 the damage. However, the buyer and seller may make a fair and
3 reasonable distribution of the insurance proceeds between each
4 of them by a signed written agreement. The written agreement
5 shall not be made until at least 7 days after any award of
6 insurance on a claim has been settled and written notice of the
7 settlement and award has been made by the insurer to both the
8 buyer and seller.

9 Section 40. Right to cure default. If the buyer defaults in
10 payment, any action brought against the buyer under the
11 contract shall be initiated only after the expiration of 30
12 days from the date of the default. A buyer in default may,
13 prior to the expiration of the 30-day period, make all
14 payments, fees, and charges currently due under the contract to
15 cure the default.

16 Section 45. Unlawful acts. It is a violation of this Act
17 for either party to make an oral or written misrepresentation
18 to the other party concerning a contract or regarding the
19 rights or duties of either party under this Act or to induce
20 either party to sign incomplete forms, contracts, notices, or
21 written statements relating to the sale of a dwelling
22 structure.

23 Section 50. No waiver. The buyer or the seller may not

1 waive any provisions of this Act by written contract or
2 otherwise. Any contractual provisions or other agreements
3 contrary to this Act are void and unenforceable.

4 Section 55. Circumstances voiding mandatory arbitration
5 provisions. A mandatory arbitration provision of an
6 installment sales contract that is oppressive, unfair,
7 unconscionable, or substantially in derogation of the rights of
8 either party is void.

9 Section 60. Prepayment penalties prohibited. The seller
10 may not charge or collect a prepayment penalty or any similar
11 fee or finance charge if the buyer elects to pay the
12 outstanding principal balance of the purchase price under the
13 contract before the scheduled payment date under the contract.

14 Section 65. Prohibited contract terms. Any contract term
15 that would put the buyer in default of the contract for failure
16 to make improvements and repairs to residential real estate for
17 conditions that existed prior to the date of sale is prohibited
18 and unenforceable.

19 Section 70. Cooling-off period.

20 (a) The buyer or the seller shall not be bound for 3 full
21 business days after an unexecuted installment sales contract
22 has been accepted by the buyer and the seller in the contract's

1 full and final form.

2 (b) No later than the time the unexecuted installment sales
3 contract has been accepted by the buyer and the seller in the
4 contract's full and final form, the seller shall provide to the
5 buyer the document described in Section 75 of this Act.

6 (c) An executed installment sales contract shall include a
7 statement acknowledging that the seller provided the buyer with
8 the installment sales contract disclosure prepared by the
9 Office of the Attorney General, as required under Section 75 of
10 this Act.

11 (d) An executed installment sales contract shall include
12 the date the seller provided the buyer with the installment
13 sales contract disclosure prepared by the Office of the
14 Attorney General.

15 (e) The requirements of this Section cannot be waived by
16 the buyer or the seller.

17 Section 75. Installment sales contract disclosures.

18 (a) The Office of the Attorney General shall develop the
19 content and format of an educational document providing
20 independent consumer information regarding installment sales
21 contracts and the availability of independent housing
22 counseling services, including services provided by nonprofit
23 agencies certified by the federal government to provide housing
24 counseling. The document shall be updated and revised as often
25 as deemed necessary by the Office of the Attorney General.

1 (b) The document described in subsection (a) of this
2 Section shall include the following statement: "IMPORTANT
3 NOTICE REGARDING THE COOLING-OFF PERIOD: Illinois State law
4 requires a 3-day cooling-off period for installment sales
5 contracts, during which time a potential buyer cannot be
6 required to close or proceed with the contract. The purpose of
7 this requirement is to provide a potential buyer with 3
8 business days to consider his or her decision whether to sign
9 an installment sales contract. Potential buyers may want to
10 seek additional information from a HUD-approved housing
11 counselor during this 3-day period. The 3-day cooling-off
12 period cannot be waived."

13 Section 80. Credits towards deficiency in the case of
14 default. If the buyer defaults, the seller shall credit toward
15 the buyer deficiency any amount the buyer spent to repair
16 defects in the property that existed before the sale.

17 Section 85. Enforcement.

18 (a) Any violation of this Act shall constitute an unlawful
19 practice under the Consumer Fraud and Deceptive Business
20 Practices Act.

21 (b) Any violation of this Act by a licensee under the
22 Residential Mortgage License Act of 1987 shall also be
23 considered a violation of the Residential Mortgage License Act
24 of 1987.

1 Section 90. Applicability of Act. This Act applies to
2 installment sales contracts executed on or after the effective
3 date of this Act.

4 Section 905. The Code of Civil Procedure is amended by
5 changing Section 15-1106 as follows:

6 (735 ILCS 5/15-1106) (from Ch. 110, par. 15-1106)

7 Sec. 15-1106. Applicability of Article.

8 (a) Exclusive Procedure. From and after July 1, 1987 (the
9 effective date of Public Act 84-1462) ~~this amendatory Act of~~
10 ~~1986~~, the following shall be foreclosed in a foreclosure
11 pursuant to this Article:

12 (1) any mortgage created prior to, on or after July 1,
13 1987 (the effective date of Public Act 84-1462) ~~this~~
14 ~~amendatory Act of 1986~~;

15 (2) any real estate installment contract for
16 residential real estate entered into on or after July 1,
17 1987 (the effective date of Public Act 84-1462) ~~this~~
18 ~~amendatory Act of 1986~~ and under which the sum of all
19 payments made by the buyer is greater than or equal to 10%
20 of the original purchase price ~~(i) the purchase price is to~~
21 ~~be paid in installments over a period in excess of five~~
22 ~~years and (ii) the amount unpaid under the terms of the~~
23 ~~contract at the time of the filing of the foreclosure~~

1 ~~complaint, including principal and due and unpaid~~
2 ~~interest, at the rate prior to default, is less than 80% of~~
3 ~~the original purchase price of the real estate as stated in~~
4 ~~the contract;~~

5 (3) any collateral assignment of beneficial interest
6 made on or after July 1, 1987 (the effective date of Public
7 Act 84-1462) ~~this amendatory Act of 1986~~ (i) which is made
8 with respect to a land trust which was created
9 contemporaneously with the collateral assignment of
10 beneficial interest, (ii) which is made pursuant to a
11 requirement of the holder of the obligation to secure the
12 payment of money or performance of other obligations and
13 (iii) as to which the security agreement or other writing
14 creating the collateral assignment permits the real estate
15 which is the subject of the land trust to be sold to
16 satisfy the obligations.

17 (b) Uniform Commercial Code. A secured party, as defined in
18 Article 9 of the Uniform Commercial Code, may at its election
19 enforce its security interest in a foreclosure under this
20 Article if its security interest was created on or after July
21 1, 1987 (the effective date of Public Act 84-1462) ~~this~~
22 ~~amendatory Act of 1986~~ and is created by (i) a collateral
23 assignment of beneficial interest in a land trust or (ii) an
24 assignment for security of a buyer's interest in a real estate
25 installment contract. Such election shall be made by filing a
26 complaint stating that it is brought under this Article, in

1 which event the provisions of this Article shall be exclusive
2 in such foreclosure.

3 (c) Real Estate Installment Contracts. A contract seller
4 may at its election enforce in a foreclosure under this Article
5 any real estate installment contract entered into on or after
6 July 1, 1987 (the effective date of Public Act 84-1462) ~~this~~
7 ~~Amendatory Act of 1986~~ and not required to be foreclosed under
8 this Article. Such election shall be made by filing a complaint
9 stating that it is brought under this Article, in which event
10 the provisions of this Article shall be exclusive in such
11 foreclosure. A contract seller must enforce its contract under
12 this Article if the real estate installment contract is one
13 described in paragraph (2) of subsection (a) of this Section
14 ~~15-1106~~.

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

19 (e) Supplementary General Principles of Law. General
20 principles of law and equity, such as those relating to
21 capacity to contract, principal and agent, marshalling of
22 assets, priority, subrogation, estoppel, fraud,
23 misrepresentations, duress, collusion, mistake, bankruptcy or
24 other validating or invalidating cause, supplement this
25 Article unless displaced by a particular provision of it.
26 Section 9-110 of this ~~the Code of Civil Procedure~~ shall not be

1 applicable to any real estate installment contract which is
2 foreclosed under this Article.

3 (f) Pending Actions. A complaint to foreclose a mortgage
4 filed before July 1, 1987, and all proceedings and third party
5 actions in connection therewith, shall be adjudicated pursuant
6 to the Illinois statutes and applicable law in effect
7 immediately prior to July 1, 1987. Such statutes shall remain
8 in effect with respect to such complaint, proceedings and third
9 party actions notwithstanding the amendment or repeal of such
10 statutes on or after July 1, 1987.

11 (g) The changes made to this Section by this amendatory Act
12 of the 100th General Assembly apply to real estate installment
13 contracts for residential real estate executed on or after the
14 effective date of this amendatory Act of the 100th General
15 Assembly.

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

17 Section 910. The Condominium Property Act is amended by
18 changing Sections 18 and 18.5 as follows:

19 (765 ILCS 605/18) (from Ch. 30, par. 318)

20 Sec. 18. Contents of bylaws. The bylaws shall provide for
21 at least the following:

22 (a) (1) The election from among the unit owners of a
23 board of managers, the number of persons constituting such
24 board, and that the terms of at least one-third of the

1 members of the board shall expire annually and that all
2 members of the board shall be elected at large; if there
3 are multiple owners of a single unit, only one of the
4 multiple owners shall be eligible to serve as a member of
5 the board at any one time;

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

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

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

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

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

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

1 reserves;

2 (8) (i) that each unit owner shall receive notice, in
3 the same manner as is provided in this Act for membership
4 meetings, of any meeting of the board of managers
5 concerning the adoption of the proposed annual budget and
6 regular assessments pursuant thereto or to adopt a separate
7 (special) assessment, (ii) that except as provided in
8 subsection (iv) below, if an adopted budget or any separate
9 assessment adopted by the board would result in the sum of
10 all regular and separate assessments payable in the current
11 fiscal year exceeding 115% of the sum of all regular and
12 separate assessments payable during the preceding fiscal
13 year, the board of managers, upon written petition by unit
14 owners with 20 percent of the votes of the association
15 delivered to the board within 14 days of the board action,
16 shall call a meeting of the unit owners within 30 days of
17 the date of delivery of the petition to consider the budget
18 or separate assessment; unless a majority of the total
19 votes of the unit owners are cast at the meeting to reject
20 the budget or separate assessment, it is ratified, (iii)
21 that any common expense not set forth in the budget or any
22 increase in assessments over the amount adopted in the
23 budget shall be separately assessed against all unit
24 owners, (iv) that separate assessments for expenditures
25 relating to emergencies or mandated by law may be adopted
26 by the board of managers without being subject to unit

1 owner approval or the provisions of item (ii) above or item
2 (v) below. As used herein, "emergency" means an immediate
3 danger to the structural integrity of the common elements
4 or to the life, health, safety or property of the unit
5 owners, (v) that assessments for additions and alterations
6 to the common elements or to association-owned property not
7 included in the adopted annual budget, shall be separately
8 assessed and are subject to approval of two-thirds of the
9 total votes of all unit owners, (vi) that the board of
10 managers may adopt separate assessments payable over more
11 than one fiscal year. With respect to multi-year
12 assessments not governed by items (iv) and (v), the entire
13 amount of the multi-year assessment shall be deemed
14 considered and authorized in the first fiscal year in which
15 the assessment is approved;

16 (9) (A) that every meeting of the board of managers
17 shall be open to any unit owner, except that the board may
18 close any portion of a noticed meeting or meet separately
19 from a noticed meeting to: (i) discuss litigation when an
20 action against or on behalf of the particular association
21 has been filed and is pending in a court or administrative
22 tribunal, or when the board of managers finds that such an
23 action is probable or imminent, (ii) discuss the
24 appointment, employment, engagement, or dismissal of an
25 employee, independent contractor, agent, or other provider
26 of goods and services, (iii) interview a potential

1 employee, independent contractor, agent, or other provider
2 of goods and services, (iv) discuss violations of rules and
3 regulations of the association, (v) discuss a unit owner's
4 unpaid share of common expenses, or (vi) consult with the
5 association's legal counsel; that any vote on these matters
6 shall take place at a meeting of the board of managers or
7 portion thereof open to any unit owner;

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

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

21 (D) that notice of every meeting of the board of
22 managers shall be given to every board member at least 48
23 hours prior thereto, unless the board member waives notice
24 of the meeting pursuant to subsection (a) of Section 18.8;
25 and

26 (E) that notice of every meeting of the board of

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

18 (10) that the board shall meet at least 4 times
19 annually;

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

23 (12) the designation of an officer to mail and receive
24 all notices and execute amendments to condominium
25 instruments as provided for in this Act and in the
26 condominium instruments;

1 (13) the method of filling vacancies on the board which
2 shall include authority for the remaining members of the
3 board to fill the vacancy by two-thirds vote until the next
4 annual meeting of unit owners or for a period terminating
5 no later than 30 days following the filing of a petition
6 signed by unit owners holding 20% of the votes of the
7 association requesting a meeting of the unit owners to fill
8 the vacancy for the balance of the term, and that a meeting
9 of the unit owners shall be called for purposes of filling
10 a vacancy on the board no later than 30 days following the
11 filing of a petition signed by unit owners holding 20% of
12 the votes of the association requesting such a meeting, and
13 the method of filling vacancies among the officers that
14 shall include the authority for the members of the board to
15 fill the vacancy for the unexpired portion of the term;

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

18 (15) provisions concerning notice of board meetings to
19 members of the board;

20 (16) the board of managers may not enter into a
21 contract with a current board member or with a corporation
22 or partnership in which a board member or a member of the
23 board member's immediate family has 25% or more interest,
24 unless notice of intent to enter the contract is given to
25 unit owners within 20 days after a decision is made to
26 enter into the contract and the unit owners are afforded an

1 opportunity by filing a petition, signed by 20% of the unit
2 owners, for an election to approve or disapprove the
3 contract; such petition shall be filed within 20 days after
4 such notice and such election shall be held within 30 days
5 after filing the petition; for purposes of this subsection,
6 a board member's immediate family means the board member's
7 spouse, parents, and children;

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

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

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

25 (20) that the board of managers may establish and
26 maintain a system of master metering of public utility

1 services and collect payments in connection therewith,
2 subject to the requirements of the Tenant Utility Payment
3 Disclosure Act; and

4 (21) that the board may ratify and confirm actions of
5 the members of the board taken in response to an emergency,
6 as that term is defined in subdivision (a)(8)(iv) of this
7 Section; that the board shall give notice to the unit
8 owners of: (i) the occurrence of the emergency event within
9 7 business days after the emergency event, and (ii) the
10 general description of the actions taken to address the
11 event within 7 days after the emergency event.

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

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

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

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

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

7 (5) that special meetings of the members can be called
8 by the president, board of managers, or by 20% of unit
9 owners;

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

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

1 of one vote per unit;

2 (8) that, where there is more than one owner of a unit,
3 if only one of the multiple owners is present at a meeting
4 of the association, he is entitled to cast all the votes
5 allocated to that unit, if more than one of the multiple
6 owners are present, the votes allocated to that unit may be
7 cast only in accordance with the agreement of a majority in
8 interest of the multiple owners, unless the declaration
9 expressly provides otherwise, that there is majority
10 agreement if any one of the multiple owners cast the votes
11 allocated to that unit without protest being made promptly
12 to the person presiding over the meeting by any of the
13 other owners of the unit;

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

1 was authorized by the unit owner or the unit owner's proxy;

2 (B) that if a rule adopted at least 120 days before a
3 board election or the declaration or bylaws provide for
4 balloting as set forth in this subsection, unit owners may
5 not vote by proxy in board elections, but may vote only (i)
6 by submitting an association-issued ballot in person at the
7 election meeting or (ii) by submitting an
8 association-issued ballot to the association or its
9 designated agent by mail or other means of delivery
10 specified in the declaration, bylaws, or rule; that the
11 ballots shall be mailed or otherwise distributed to unit
12 owners not less than 10 and not more than 30 days before
13 the election meeting, and the board shall give unit owners
14 not less than 21 days' prior written notice of the deadline
15 for inclusion of a candidate's name on the ballots; that
16 the deadline shall be no more than 7 days before the
17 ballots are mailed or otherwise distributed to unit owners;
18 that every such ballot must include the names of all
19 candidates who have given the board or its authorized agent
20 timely written notice of their candidacy and must give the
21 person casting the ballot the opportunity to cast votes for
22 candidates whose names do not appear on the ballot; that a
23 ballot received by the association or its designated agent
24 after the close of voting shall not be counted; that a unit
25 owner who submits a ballot by mail or other means of
26 delivery specified in the declaration, bylaws, or rule may

1 request and cast a ballot in person at the election
2 meeting, and thereby void any ballot previously submitted
3 by that unit owner;

4 (B-5) that if a rule adopted at least 120 days before a
5 board election or the declaration or bylaws provide for
6 balloting as set forth in this subparagraph, unit owners
7 may not vote by proxy in board elections, but may vote only
8 (i) by submitting an association-issued ballot in person at
9 the election meeting; or (ii) by any acceptable
10 technological means as defined in Section 2 of this Act;
11 instructions regarding the use of electronic means for
12 voting shall be distributed to all unit owners not less
13 than 10 and not more than 30 days before the election
14 meeting, and the board shall give unit owners not less than
15 21 days' prior written notice of the deadline for inclusion
16 of a candidate's name on the ballots; the deadline shall be
17 no more than 7 days before the instructions for voting
18 using electronic or acceptable technological means is
19 distributed to unit owners; every instruction notice must
20 include the names of all candidates who have given the
21 board or its authorized agent timely written notice of
22 their candidacy and must give the person voting through
23 electronic or acceptable technological means the
24 opportunity to cast votes for candidates whose names do not
25 appear on the ballot; a unit owner who submits a vote using
26 electronic or acceptable technological means may request

1 and cast a ballot in person at the election meeting,
2 thereby voiding any vote previously submitted by that unit
3 owner;

4 (C) that if a written petition by unit owners with at
5 least 20% of the votes of the association is delivered to
6 the board within 14 days after the board's approval of a
7 rule adopted pursuant to subparagraph (B) or subparagraph
8 (B-5) of this paragraph (9), the board shall call a meeting
9 of the unit owners within 30 days after the date of
10 delivery of the petition; that unless a majority of the
11 total votes of the unit owners are cast at the meeting to
12 reject the rule, the rule is ratified;

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

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

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

21 (12) the method by which matters subject to the
22 approval of unit owners set forth in this Act, or in the
23 condominium instruments, will be submitted to the unit
24 owners at special membership meetings called for such
25 purposes; and

26 (13) that matters subject to the affirmative vote of

1 not less than 2/3 of the votes of unit owners at a meeting
2 duly called for that purpose, shall include, but not be
3 limited to:

4 (i) merger or consolidation of the association;

5 (ii) sale, lease, exchange, or other disposition
6 (excluding the mortgage or pledge) of all, or
7 substantially all of the property and assets of the
8 association; and

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

11 (c) Election of a president from among the board of
12 managers, who shall preside over the meetings of the board
13 of managers and of the unit owners.

14 (d) Election of a secretary from among the board of
15 managers, who shall keep the minutes of all meetings of the
16 board of managers and of the unit owners and who shall, in
17 general, perform all the duties incident to the office of
18 secretary.

19 (e) Election of a treasurer from among the board of
20 managers, who shall keep the financial records and books of
21 account.

22 (f) Maintenance, repair and replacement of the common
23 elements and payments therefor, including the method of
24 approving payment vouchers.

25 (g) An association with 30 or more units shall obtain
26 and maintain fidelity insurance covering persons who

1 control or disburse funds of the association for the
2 maximum amount of coverage available to protect funds in
3 the custody or control of the association plus the
4 association reserve fund. All management companies which
5 are responsible for the funds held or administered by the
6 association shall maintain and furnish to the association a
7 fidelity bond for the maximum amount of coverage available
8 to protect funds in the custody of the management company
9 at any time. The association shall bear the cost of the
10 fidelity insurance and fidelity bond, unless otherwise
11 provided by contract between the association and a
12 management company. The association shall be the direct
13 obligee of any such fidelity bond. A management company
14 holding reserve funds of an association shall at all times
15 maintain a separate account for each association,
16 provided, however, that for investment purposes, the Board
17 of Managers of an association may authorize a management
18 company to maintain the association's reserve funds in a
19 single interest bearing account with similar funds of other
20 associations. The management company shall at all times
21 maintain records identifying all moneys of each
22 association in such investment account. The management
23 company may hold all operating funds of associations which
24 it manages in a single operating account but shall at all
25 times maintain records identifying all moneys of each
26 association in such operating account. Such operating and

1 reserve funds held by the management company for the
2 association shall not be subject to attachment by any
3 creditor of the management company.

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

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

1 (h) Method of estimating the amount of the annual
2 budget, and the manner of assessing and collecting from the
3 unit owners their respective shares of such estimated
4 expenses, and of any other expenses lawfully agreed upon.

5 (i) That upon 10 days notice to the manager or board of
6 managers and payment of a reasonable fee, any unit owner
7 shall be furnished a statement of his account setting forth
8 the amount of any unpaid assessments or other charges due
9 and owing from such owner.

10 (j) Designation and removal of personnel necessary for
11 the maintenance, repair and replacement of the common
12 elements.

13 (k) Such restrictions on and requirements respecting
14 the use and maintenance of the units and the use of the
15 common elements, not set forth in the declaration, as are
16 designed to prevent unreasonable interference with the use
17 of their respective units and of the common elements by the
18 several unit owners.

19 (l) Method of adopting and of amending administrative
20 rules and regulations governing the operation and use of
21 the common elements.

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

25 (n) (i) The provisions of this Act, the declaration,
26 bylaws, other condominium instruments, and rules and

1 regulations that relate to the use of the individual unit
2 or the common elements shall be applicable to any person
3 leasing a unit and shall be deemed to be incorporated in
4 any lease executed or renewed on or after August 30, 1984
5 (the effective date of Public Act 83-1271).

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

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

26 (p) That when 30% or fewer of the units, by number,

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

22 (q) That a unit owner may not assign, delegate,
23 transfer, surrender, or avoid the duties,
24 responsibilities, and liabilities of a unit owner under
25 this Act, the condominium instruments, or the rules and
26 regulations of the Association; and that such an attempted

1 assignment, delegation, transfer, surrender, or avoidance
2 shall be deemed void.

3 The provisions of this Section are applicable to all
4 condominium instruments recorded under this Act. Any portion of
5 a condominium instrument which contains provisions contrary to
6 these provisions shall be void as against public policy and
7 ineffective. Any such instrument which fails to contain the
8 provisions required by this Section shall be deemed to
9 incorporate such provisions by operation of law.

10 (Source: P.A. 98-1042, eff. 1-1-15; 99-472, eff. 6-1-16;
11 99-567, eff. 1-1-17; 99-642, eff. 7-28-16.)

12 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

13 Sec. 18.5. Master Associations.

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

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

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

5 (c) Meetings and finances.

6 (1) Each unit owner of a condominium subject to the
7 authority of the board of the master association shall
8 receive, at least 30 days prior to the adoption thereof by
9 the board of the master association, a copy of the proposed
10 annual budget.

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

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

26 (4) Meetings of the board of the master association

1 shall be open to any unit owner in a condominium subject to
2 the authority of the board of the master association,
3 except for the portion of any meeting held:

4 (A) to discuss litigation when an action against or
5 on behalf of the particular master association has been
6 filed and is pending in a court or administrative
7 tribunal, or when the board of the master association
8 finds that such an action is probable or imminent,

9 (B) to consider information regarding appointment,
10 employment or dismissal of an employee, or

11 (C) to discuss violations of rules and regulations
12 of the master association or unpaid common expenses
13 owed to the master association.

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

17 Any unit owner may record the proceedings at meetings
18 required to be open by this Act by tape, film or other
19 means; the board may prescribe reasonable rules and
20 regulations to govern the right to make such recordings.
21 Notice of meetings shall be mailed or delivered at least 48
22 hours prior thereto, unless a written waiver of such notice
23 is signed by the persons entitled to notice before the
24 meeting is convened. Copies of notices of meetings of the
25 board of the master association shall be posted in
26 entranceways, elevators, or other conspicuous places in

1 the condominium at least 48 hours prior to the meeting of
2 the board of the master association. Where there is no
3 common entranceway for 7 or more units, the board of the
4 master association may designate one or more locations in
5 the proximity of these units where the notices of meetings
6 shall be posted.

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

1 ~~Act subsection (c) of Section 1 of the Dwelling Unit~~
2 ~~Installment Contract Act.~~

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

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

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

1 Association.

2 (d) Records.

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

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

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

26 (iii) The minutes of all meetings of the master

1 association and the board of the master association
2 shall be maintained for not less than 7 years.

3 (iv) Ballots and proxies related thereto, if any,
4 for any election held for the board of the master
5 association and for any other matters voted on by the
6 unit owners shall be maintained for not less than one
7 year.

8 (v) Such other records of the master association as
9 are available for inspection by members of a
10 not-for-profit corporation pursuant to Section 107.75
11 of the General Not For Profit Corporation Act of 1986
12 shall be maintained.

13 (vi) With respect to units owned by a land trust,
14 if a trustee designates in writing a person to cast
15 votes on behalf of the unit owner, the designation
16 shall remain in effect until a subsequent document is
17 filed with the association.

18 (2) Where a request for records under this subsection
19 is made in writing to the board of managers or its agent,
20 failure to provide the requested record or to respond
21 within 30 days shall be deemed a denial by the board of
22 directors.

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

25 (4) If the board of directors fails to provide records
26 properly requested under subdivision (d)(1) within the

1 time period provided in subdivision (d) (2), the unit owner
2 may seek appropriate relief, including an award of
3 attorney's fees and costs.

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

9 (f) Administration of property prior to election of the
10 initial board of directors.

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

20 (2) The election of the initial board of directors of a
21 master association whose declaration is recorded on or
22 after August 10, 1990, by the unit owners or the boards of
23 managers of the underlying condominium associations, shall
24 be held not later than 60 days after the conveyance by the
25 developer of 75% of the units, or 3 years after the
26 recording of the declaration, whichever is earlier. The

1 developer shall give at least 21 days notice of the meeting
2 to elect the initial board of directors and shall upon
3 request provide to any unit owner, within 3 working days of
4 the request, the names, addresses, and weighted vote of
5 each unit owner entitled to vote at the meeting. Any unit
6 owner shall upon receipt of the request be provided with
7 the same information, within 10 days of the request, with
8 respect to each subsequent meeting to elect members of the
9 board of directors.

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

20 (4) Within 60 days following the election of a majority
21 of the board of directors, other than the developer, by
22 unit owners, the developer shall deliver to the board of
23 directors:

24 (i) All original documents as recorded or filed
25 pertaining to the property, its administration, and
26 the association, such as the declaration, articles of

1 incorporation, other instruments, annual reports,
2 minutes, rules and regulations, and contracts, leases,
3 or other agreements entered into by the association. If
4 any original documents are unavailable, a copy may be
5 provided if certified by affidavit of the developer, or
6 an officer or agent of the developer, as being a
7 complete copy of the actual document recorded or filed.

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

14 (iii) Association funds, which shall have been at
15 all times segregated from any other moneys of the
16 developer.

17 (iv) A schedule of all real or personal property,
18 equipment and fixtures belonging to the association,
19 including documents transferring the property,
20 warranties, if any, for all real and personal property
21 and equipment, deeds, title insurance policies, and
22 all tax bills.

23 (v) A list of all litigation, administrative
24 action and arbitrations involving the association, any
25 notices of governmental bodies involving actions taken
26 or which may be taken concerning the association,

1 engineering and architectural drawings and
2 specifications as approved by any governmental
3 authority, all other documents filed with any other
4 governmental authority, all governmental certificates,
5 correspondence involving enforcement of any
6 association requirements, copies of any documents
7 relating to disputes involving unit owners, and
8 originals of all documents relating to everything
9 listed in this subparagraph.

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

21 (5) With respect to any master association whose
22 declaration is recorded on or after August 10, 1990, any
23 contract, lease, or other agreement made prior to the
24 election of a majority of the board of directors other than
25 the developer by or on behalf of unit owners or underlying
26 condominium associations, the association or the board of

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

22 (6) The statute of limitations for any actions in law
23 or equity which the master association may bring shall not
24 begin to run until the unit owners or underlying
25 condominium board of managers have elected a majority of
26 the members of the board of directors.

1 (g) In the event of any resale of a unit in a master
2 association by a unit owner other than the developer, the owner
3 shall obtain from the board of directors and shall make
4 available for inspection to the prospective purchaser, upon
5 demand, the following:

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

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

11 (3) A statement of any capital expenditures
12 anticipated by the association within the current or
13 succeeding 2 fiscal years.

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

17 (5) A copy of the statement of financial condition of
18 the association for the last fiscal year for which such a
19 statement is available.

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

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

24 (8) A statement that any improvements or alterations
25 made to the unit, or any part of the common areas assigned
26 thereto, by the prior unit owner are in good faith believed

1 to be in compliance with the declaration of the master
2 association.

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

7 A reasonable fee covering the direct out-of-pocket cost of
8 copying and providing such information may be charged by the
9 association or its board of directors to the unit seller for
10 providing the information.

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

1 assessments that accrued before he or she acquired title. The
2 notice of sale of a unit of a common interest community under
3 subsection (c) of Section 15-1507 of the Code of Civil
4 Procedure shall state that the purchaser of the unit other than
5 a mortgagee shall pay the assessments and court costs required
6 by this subsection (g-1).

7 (h) Errors and omissions.

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

19 (2) If, through a scrivener's error, a unit has not
20 been designated as owning an appropriate undivided share of
21 the common areas or does not bear an appropriate share of
22 the common expenses, or if all of the common expenses or
23 all of the common elements in the condominium have not been
24 distributed in the declaration, so that the sum total of
25 the shares of common areas which have been distributed or
26 the sum total of the shares of the common expenses fail to

1 equal 100%, or if it appears that more than 100% of the
2 common elements or common expenses have been distributed,
3 the error may be corrected by operation of law by filing an
4 amendment to the declaration, approved by vote of
5 two-thirds of the members of the board of directors or a
6 majority vote of the unit owners at a meeting called for
7 that purpose, which proportionately adjusts all percentage
8 interests so that the total is equal to 100%, unless the
9 declaration specifically provides for a different
10 procedure or different percentage vote by the owners of the
11 units and the owners of mortgages thereon affected by
12 modification being made in the undivided interest in the
13 common areas, the number of votes in the unit owners
14 association or the liability for common expenses
15 appertaining to the unit.

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

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

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

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

19 (6) Nothing contained in this Section shall be
20 construed to invalidate any provision of a declaration
21 authorizing the developer to amend an instrument prior to
22 the latest date on which the initial membership meeting of
23 the unit owners must be held, whether or not it has
24 actually been held, to bring the instrument into compliance
25 with the legal requirements of the Federal National
26 Mortgage Association, the Federal Home Loan Mortgage

1 Corporation, the Federal Housing Administration, the
2 United States Veterans Administration or their respective
3 successors and assigns.

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

18 (j) (Blank).

19 (Source: P.A. 96-1045, eff. 7-14-10; 97-535, eff. 1-1-12;
20 97-605, eff. 8-26-11; 97-813, eff. 7-13-12.)

21 (765 ILCS 70/Act rep.)

22 Section 915. The Dwelling Structure Contract Act is
23 repealed.

24 (765 ILCS 75/Act rep.)

1 Section 920. The Dwelling Unit Installment Contract Act is
2 repealed.

3 Section 925. The Consumer Fraud and Deceptive Business
4 Practices Act is amended by changing Section 2Z as follows:

5 (815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

6 Sec. 2Z. Violations of other Acts. Any person who knowingly
7 violates the Automotive Repair Act, the Automotive Collision
8 Repair Act, the Home Repair and Remodeling Act, the Dance
9 Studio Act, the Physical Fitness Services Act, the Hearing
10 Instrument Consumer Protection Act, the Illinois Union Label
11 Act, the Installment Sales Contract Act, the Job Referral and
12 Job Listing Services Consumer Protection Act, the Travel
13 Promotion Consumer Protection Act, the Credit Services
14 Organizations Act, the Automatic Telephone Dialers Act, the
15 Pay-Per-Call Services Consumer Protection Act, the Telephone
16 Solicitations Act, the Illinois Funeral or Burial Funds Act,
17 the Cemetery Oversight Act, the Cemetery Care Act, the Safe and
18 Hygienic Bed Act, the Pre-Need Cemetery Sales Act, the High
19 Risk Home Loan Act, the Payday Loan Reform Act, the Mortgage
20 Rescue Fraud Act, subsection (a) or (b) of Section 3-10 of the
21 Cigarette Tax Act, subsection (a) or (b) of Section 3-10 of the
22 Cigarette Use Tax Act, the Electronic Mail Act, the Internet
23 Caller Identification Act, paragraph (6) of subsection (k) of
24 Section 6-305 of the Illinois Vehicle Code, Section 11-1431,

1 18d-115, 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the
2 Illinois Vehicle Code, Article 3 of the Residential Real
3 Property Disclosure Act, the Automatic Contract Renewal Act,
4 the Reverse Mortgage Act, Section 25 of the Youth Mental Health
5 Protection Act, or the Personal Information Protection Act
6 commits an unlawful practice within the meaning of this Act.
7 (Source: P.A. 99-331, eff. 1-1-16; 99-411, eff. 1-1-16; 99-642,
8 eff. 7-28-16.)

9 Section 999. Effective date. This Act takes effect January
10 1, 2018.