



Sen. David Koehler

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1 AMENDMENT TO SENATE BILL 885

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 885 by replacing  
3 everything after the enacting clause with the following:

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.

1 "Business day" means any calendar day except Saturday,  
2 Sunday, or a State or federal holiday.

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

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

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

11 "Installment sales contract" or "contract" means any  
12 contract or agreement, including a contract for deed, bond for  
13 deed, or any other sale or legal device whereby a seller agrees  
14 to sell and the buyer agrees to buy a dwelling structure, in  
15 which the consideration for the sale is payable in installments  
16 for a period of at least one year after the date of sale, and  
17 the seller continues to have an interest or security for the  
18 purchase price or otherwise in the property.

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

22 Section 10. Terms and conditions of installment sales  
23 contracts.

24 (a) The seller of residential real estate by installment  
25 sales contract shall provide the buyer with a written contract

1 that complies with the requirements set forth in this Section.

2 (b) Until both parties have a copy of the executed contract  
3 signed by the buyer and the seller with the signatures  
4 notarized, either party has the right to rescind the contract,  
5 in addition to all other remedies provided by this Act. Upon  
6 rescission, pursuant to this Section, the seller shall refund  
7 to the buyer all money paid to the seller as of the date of  
8 rescission.

9 (c) An installment sales contract for the sale of a  
10 dwelling structure and any residential real estate subject to  
11 the contract shall clearly and conspicuously disclose the  
12 following:

13 (1) The address, permanent index number, and legal  
14 description of the residential real estate subject to the  
15 contract.

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

18 (3) The amount, if any, of any down payment applied to  
19 the price of the dwelling structure and any residential  
20 real estate subject to the contract and the resulting  
21 principal on the loan.

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

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

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

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

5           (8) A statement outlining whether the seller or the  
6           buyer is responsible for paying real estate taxes and  
7           insurance and how responsibilities of the buyer and seller  
8           change based on the time period the dwelling or any  
9           residential real estate subject to the contract is occupied  
10          by the buyer and what percentage of the principal is paid  
11          down. In all circumstances not defined in the disclosure  
12          required by this subsection, the seller has the  
13          responsibility for paying real estate taxes and insurance.

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

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

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

21          (12) The fair cash value as defined in the Property Tax  
22          Code and set forth on the real estate tax bill for the year  
23          immediately prior to the sale, and the assessed value of  
24          the property as set forth on the real estate tax bill for  
25          the year immediately prior to the sale.

26          (13) The amount of real estate taxes for the year

1 immediately prior to the sale.

2 (14) Any unpaid amounts owing on prior real estate  
3 taxes.

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

6 (16) The type of insurance coverage, including, but not  
7 limited to, property insurance and title insurance, for the  
8 buyer and seller that will be required or provided.

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

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

12 (19) An explanation as to when the buyer will obtain  
13 the title.

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

26 (21) A statement defining what, if any, alterations of

1 the property must be approved by both the buyer and the  
2 seller prior to the alterations being made, including  
3 requirements to provide evidence of proper permits,  
4 insurance, and lien waiver agreements.

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

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

8 (24) A certificate of compliance with applicable  
9 dwelling codes, or in the absence of such a certificate:

10 (i) an express written warranty that no notice from any  
11 municipality or other governmental authority of a dwelling  
12 code violation that existed with respect to the residential  
13 real estate or dwelling structure subject to the contract  
14 before the installment sales contract was executed had been  
15 received by the seller, his or her principal, or his or her  
16 agent within 10 years of the date of execution of the  
17 installment sales contract; or (ii) if any notice of a  
18 violation had been received, a list of all such notices  
19 with a detailed statement of all violations referred to in  
20 the notice.

21 (25) A statement, in large bold font stating in  
22 substantially similar form: "NOTE TO BUYER: BEFORE SIGNING  
23 THE CONTRACT THE BUYER HAS THE OPTION OF OBTAINING AN  
24 INDEPENDENT THIRD PARTY INSPECTION AND/OR APPRAISAL SO  
25 THAT THE BUYER CAN DETERMINE THE CONDITION AND ESTIMATED  
26 MARKET VALUE OF THE RESIDENTIAL REAL ESTATE AND DECIDE

1           WHETHER TO SIGN THE CONTRACT."

2           (26) If the residential real estate or any dwelling  
3           structure thereon that is subject to the contract has been  
4           condemned by the unit of government having jurisdiction,  
5           the contract shall include a statement, in large bold font  
6           stating in substantially similar form: "NOTE TO BUYER: THE  
7           RESIDENTIAL REAL ESTATE BEING SOLD THROUGH THIS CONTRACT  
8           HAS BEEN CONDEMNED BY THE UNIT OF GOVERNMENT HAVING  
9           JURISDICTION."

10          (27) A statement that the seller provided the buyer the  
11          installment sales contract disclosure prepared by the  
12          Office of the Attorney General as required under Illinois  
13          State law. The statement shall include the date on which  
14          the buyer was provided with the disclosure, which must be  
15          at least 3 full business days before the contract was  
16          executed.

17          (28) A statement that: (i) if the buyer defaults in  
18          payment, any action brought against the buyer under the  
19          contract shall be initiated only after the expiration of 30  
20          days from the date of the default; and (ii) a buyer in  
21          default may, prior to the expiration of the 30-day period,  
22          make all payments, fees and charges currently due under the  
23          contract to cure the default.

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

1           Section 15. Applicability of other Acts. An installment  
2 sales contract under this Act is subject to the Lead Poisoning  
3 Prevention Act, the Residential Real Property Disclosure Act,  
4 the Illinois Radon Awareness Act, and the High Risk Home Loan  
5 Act. The remedies available to the buyer pursuant to this Act  
6 are cumulative and do not preclude any remedies otherwise  
7 available to a buyer at law or in equity.

8           Section 20. Recording of contract required.

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

25           (b) If the seller fails to record the contract or the



1 memorandum of the contract as required by subsection (a) of  
2 this Section, the buyer has the right to rescind the contract  
3 until such time as the seller records the contract. If the  
4 seller fails to record the contract or the memorandum of the  
5 contract and title to the property becomes clouded for any  
6 reason, including, but not limited to, that another person buys  
7 the property, a judgment lien is placed on the property, or a  
8 consensual mortgage or some other third party interest  
9 affecting the title arises, the buyer has the option to  
10 rescind, not just before the seller records, but at any time  
11 within 90 days of discovering the title problem.

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

16 Section 25. Repairs.

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

20 (b) If the seller deems certain repairs necessary to  
21 protect the seller's interest in the property, the seller may,  
22 at the seller's own cost, proceed to make the repairs in  
23 compliance with this Section. Before the performance of  
24 nonemergency repairs on a dwelling unit inhabited by a buyer,  
25 the seller shall provide the buyer with at least 72 hours'

1 written notice of the seller's intent to make the proposed  
2 repairs. Nothing in this Section limits the seller's right to  
3 negotiate or secure recovery of the seller's actual cost to  
4 make repairs caused due to negligence or malicious damage on  
5 the part of the buyer.

6 (c) Except for limitations included in the statement  
7 required by item (20) of subsection (c) of Section 10, nothing  
8 in this Section limits the buyer's right to obtain the services  
9 of a building contractor to make repairs that are chargeable to  
10 the buyer under this Act.

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

15 Section 30. Account statements.

16 (a) The seller shall provide the buyer with an account  
17 statement, including amounts applied to principal, interest,  
18 tax, insurance, fees, and other charges, upon the buyer's  
19 request.

20 (b) A seller is not required to provide a buyer with  
21 account statements without charge more than once in any  
22 12-month period.

23 (c) If the buyer's request for an account statement is made  
24 in response to a change in the terms of an installment sales  
25 contract, then the seller must provide the account statement

1 without charge.

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

5 Section 35. Insurance proceeds. A buyer or seller who  
6 receives payment of insurance proceeds as a result of damage to  
7 a dwelling structure shall apply the proceeds to the repair of  
8 the damage. However, the buyer and seller may make a fair and  
9 reasonable distribution of the insurance proceeds between each  
10 of them by a signed written agreement. The written agreement  
11 shall not be made until at least 7 days after any award of  
12 insurance on a claim has been settled and written notice of the  
13 settlement and award has been made by the insurer to both the  
14 buyer and seller.

15 Section 40. Right to cure default. If the buyer defaults in  
16 payment, any action brought against the buyer under the  
17 contract shall be initiated only after the expiration of 30  
18 days from the date of the default. A buyer in default may,  
19 prior to the expiration of the 30-day period, make all  
20 payments, fees, and charges currently due under the contract to  
21 cure the default.

22 Section 45. Unlawful acts. It is a violation of this Act  
23 for either party to make an oral or written misrepresentation

1 to the other party concerning a contract or regarding the  
2 rights or duties of either party under this Act or to induce  
3 either party to sign incomplete forms, contracts, notices, or  
4 written statements relating to the sale of a dwelling  
5 structure.

6 Section 50. No waiver. The buyer or the seller may not  
7 waive any provisions of this Act by written contract or  
8 otherwise. Any contractual provisions or other agreements  
9 contrary to this Act are void and unenforceable.

10 Section 55. Circumstances voiding mandatory arbitration  
11 provisions. A mandatory arbitration provision of an  
12 installment sales contract that is oppressive, unfair,  
13 unconscionable, or substantially in derogation of the rights of  
14 either party is void.

15 Section 60. Prepayment penalties prohibited. The seller  
16 may not charge or collect a prepayment penalty or any similar  
17 fee or finance charge if the buyer elects to pay the  
18 outstanding principal balance of the purchase price under the  
19 contract before the scheduled payment date under the contract.

20 Section 65. Prohibited contract terms. Any contract term  
21 that would put the buyer in default of the contract for failure  
22 to make improvements and repairs to residential real estate for

1 conditions that existed prior to the date of sale is prohibited  
2 and unenforceable.

3 Section 70. Cooling-off period.

4 (a) The buyer or the seller shall not be bound for 3 full  
5 business days after an unexecuted installment sales contract  
6 has been accepted by the buyer and the seller in the contract's  
7 full and final form.

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

12 (c) An executed installment sales contract shall include a  
13 statement acknowledging that the seller provided the buyer with  
14 the installment sales contract disclosure prepared by the  
15 Office of the Attorney General, as required under Section 75 of  
16 this Act.

17 (d) An executed installment sales contract shall include  
18 the date the seller provided the buyer with the installment  
19 sales contract disclosure prepared by the Office of the  
20 Attorney General.

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

23 Section 75. Installment sales contract disclosures.

24 (a) The Office of the Attorney General shall develop the

1 content and format of an educational document providing  
2 independent consumer information regarding installment sales  
3 contracts and the availability of independent housing  
4 counseling services, including services provided by nonprofit  
5 agencies certified by the federal government to provide housing  
6 counseling. The document shall be updated and revised as often  
7 as deemed necessary by the Office of the Attorney General.

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

20 Section 80. Credits towards deficiency in the case of  
21 default. If the buyer defaults, the seller shall credit toward  
22 the buyer deficiency any amount the buyer spent to repair  
23 defects in the property that existed before the sale.

24 Section 85. Enforcement.

1 (a) Any violation of this Act shall constitute an unlawful  
2 practice under the Consumer Fraud and Deceptive Business  
3 Practices Act.

4 (b) Any violation of this Act by a licensee under the  
5 Residential Mortgage License Act of 1987 shall also be  
6 considered a violation of the Residential Mortgage License Act  
7 of 1987.

8 Section 90. Applicability of Act. This Act applies to  
9 installment sales contracts executed on or after the effective  
10 date of this Act.

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

13 (735 ILCS 5/15-1106) (from Ch. 110, par. 15-1106)

14 Sec. 15-1106. Applicability of Article.

15 (a) Exclusive Procedure. From and after July 1, 1987 (the  
16 effective date of Public Act 84-1462) ~~this amendatory Act of~~  
17 ~~1986~~, the following shall be foreclosed in a foreclosure  
18 pursuant to this Article:

19 (1) any mortgage created prior to, on or after July 1,  
20 1987 (the effective date of Public Act 84-1462) ~~this~~  
21 ~~amendatory Act of 1986~~;

22 (2) any real estate installment contract for  
23 residential real estate entered into on or after July 1,

1        1987 (the effective date of Public Act 84-1462) ~~this~~  
2        ~~amendatory Act of 1986~~ and under which the sum of all  
3        payments made by the buyer is greater than or equal to 10%  
4        of the original purchase price (i) ~~the purchase price is to~~  
5        ~~be paid in installments over a period in excess of five~~  
6        ~~years and (ii) the amount unpaid under the terms of the~~  
7        ~~contract at the time of the filing of the foreclosure~~  
8        ~~complaint, including principal and due and unpaid~~  
9        ~~interest, at the rate prior to default, is less than 80% of~~  
10       ~~the original purchase price of the real estate as stated in~~  
11       ~~the contract;~~

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

24       (b) Uniform Commercial Code. A secured party, as defined in  
25       Article 9 of the Uniform Commercial Code, may at its election  
26       enforce its security interest in a foreclosure under this



1 Article if its security interest was created on or after July  
2 1, 1987 (the effective date of Public Act 84-1462) ~~this~~  
3 ~~amendatory Act of 1986~~ and is created by (i) a collateral  
4 assignment of beneficial interest in a land trust or (ii) an  
5 assignment for security of a buyer's interest in a real estate  
6 installment contract. Such election shall be made by filing a  
7 complaint stating that it is brought under this Article, in  
8 which event the provisions of this Article shall be exclusive  
9 in such foreclosure.

10 (c) Real Estate Installment Contracts. A contract seller  
11 may at its election enforce in a foreclosure under this Article  
12 any real estate installment contract entered into on or after  
13 July 1, 1987 (the effective date of Public Act 84-1462) ~~this~~  
14 ~~Amendatory Act of 1986~~ and not required to be foreclosed under  
15 this Article. Such election shall be made by filing a complaint  
16 stating that it is brought under this Article, in which event  
17 the provisions of this Article shall be exclusive in such  
18 foreclosure. A contract seller must enforce its contract under  
19 this Article if the real estate installment contract is one  
20 described in paragraph (2) of subsection (a) of this Section  
21 ~~15-1106~~.

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

26 (e) Supplementary General Principles of Law. General

1 principles of law and equity, such as those relating to  
2 capacity to contract, principal and agent, marshalling of  
3 assets, priority, subrogation, estoppel, fraud,  
4 misrepresentations, duress, collusion, mistake, bankruptcy or  
5 other validating or invalidating cause, supplement this  
6 Article unless displaced by a particular provision of it.  
7 Section 9-110 of this ~~the Code of Civil Procedure~~ shall not be  
8 applicable to any real estate installment contract which is  
9 foreclosed under this Article.

10 (f) Pending Actions. A complaint to foreclose a mortgage  
11 filed before July 1, 1987, and all proceedings and third party  
12 actions in connection therewith, shall be adjudicated pursuant  
13 to the Illinois statutes and applicable law in effect  
14 immediately prior to July 1, 1987. Such statutes shall remain  
15 in effect with respect to such complaint, proceedings and third  
16 party actions notwithstanding the amendment or repeal of such  
17 statutes on or after July 1, 1987.

18 (g) The changes made to this Section by this amendatory Act  
19 of the 100th General Assembly apply to real estate installment  
20 contracts for residential real estate executed on or after the  
21 effective date of this amendatory Act of the 100th General  
22 Assembly.

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

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

1 (765 ILCS 605/18) (from Ch. 30, par. 318)

2 Sec. 18. Contents of bylaws. The bylaws shall provide for  
3 at least the following:

4 (a) (1) The election from among the unit owners of a  
5 board of managers, the number of persons constituting such  
6 board, and that the terms of at least one-third of the  
7 members of the board shall expire annually and that all  
8 members of the board shall be elected at large; if there  
9 are multiple owners of a single unit, only one of the  
10 multiple owners shall be eligible to serve as a member of  
11 the board at any one time;

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

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

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

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

19 (6) that each unit owner shall receive, at least 25  
20 days prior to the adoption thereof by the board of  
21 managers, a copy of the proposed annual budget together  
22 with an indication of which portions are intended for  
23 reserves, capital expenditures or repairs or payment of  
24 real estate taxes;

25 (7) that the board of managers shall annually supply to

1 all unit owners an itemized accounting of the common  
2 expenses for the preceding year actually incurred or paid,  
3 together with an indication of which portions were for  
4 reserves, capital expenditures or repairs or payment of  
5 real estate taxes and with a tabulation of the amounts  
6 collected pursuant to the budget or assessment, and showing  
7 the net excess or deficit of income over expenditures plus  
8 reserves;

9 (8) (i) that each unit owner shall receive notice, in  
10 the same manner as is provided in this Act for membership  
11 meetings, of any meeting of the board of managers  
12 concerning the adoption of the proposed annual budget and  
13 regular assessments pursuant thereto or to adopt a separate  
14 (special) assessment, (ii) that except as provided in  
15 subsection (iv) below, if an adopted budget or any separate  
16 assessment adopted by the board would result in the sum of  
17 all regular and separate assessments payable in the current  
18 fiscal year exceeding 115% of the sum of all regular and  
19 separate assessments payable during the preceding fiscal  
20 year, the board of managers, upon written petition by unit  
21 owners with 20 percent of the votes of the association  
22 delivered to the board within 14 days of the board action,  
23 shall call a meeting of the unit owners within 30 days of  
24 the date of delivery of the petition to consider the budget  
25 or separate assessment; unless a majority of the total  
26 votes of the unit owners are cast at the meeting to reject

1 the budget or separate assessment, it is ratified, (iii)  
2 that any common expense not set forth in the budget or any  
3 increase in assessments over the amount adopted in the  
4 budget shall be separately assessed against all unit  
5 owners, (iv) that separate assessments for expenditures  
6 relating to emergencies or mandated by law may be adopted  
7 by the board of managers without being subject to unit  
8 owner approval or the provisions of item (ii) above or item  
9 (v) below. As used herein, "emergency" means an immediate  
10 danger to the structural integrity of the common elements  
11 or to the life, health, safety or property of the unit  
12 owners, (v) that assessments for additions and alterations  
13 to the common elements or to association-owned property not  
14 included in the adopted annual budget, shall be separately  
15 assessed and are subject to approval of two-thirds of the  
16 total votes of all unit owners, (vi) that the board of  
17 managers may adopt separate assessments payable over more  
18 than one fiscal year. With respect to multi-year  
19 assessments not governed by items (iv) and (v), the entire  
20 amount of the multi-year assessment shall be deemed  
21 considered and authorized in the first fiscal year in which  
22 the assessment is approved;

23 (9) (A) that every meeting of the board of managers  
24 shall be open to any unit owner, except that the board may  
25 close any portion of a noticed meeting or meet separately  
26 from a noticed meeting to: (i) discuss litigation when an

1 action against or on behalf of the particular association  
2 has been filed and is pending in a court or administrative  
3 tribunal, or when the board of managers finds that such an  
4 action is probable or imminent, (ii) discuss the  
5 appointment, employment, engagement, or dismissal of an  
6 employee, independent contractor, agent, or other provider  
7 of goods and services, (iii) interview a potential  
8 employee, independent contractor, agent, or other provider  
9 of goods and services, (iv) discuss violations of rules and  
10 regulations of the association, (v) discuss a unit owner's  
11 unpaid share of common expenses, or (vi) consult with the  
12 association's legal counsel; that any vote on these matters  
13 shall take place at a meeting of the board of managers or  
14 portion thereof open to any unit owner;

15 (B) that board members may participate in and act at  
16 any meeting of the board of managers in person, by  
17 telephonic means, or by use of any acceptable technological  
18 means whereby all persons participating in the meeting can  
19 communicate with each other; that participation  
20 constitutes attendance and presence in person at the  
21 meeting;

22 (C) that any unit owner may record the proceedings at  
23 meetings of the board of managers or portions thereof  
24 required to be open by this Act by tape, film or other  
25 means, and that the board may prescribe reasonable rules  
26 and regulations to govern the right to make such

1 recordings;

2 (D) that notice of every meeting of the board of  
3 managers shall be given to every board member at least 48  
4 hours prior thereto, unless the board member waives notice  
5 of the meeting pursuant to subsection (a) of Section 18.8;  
6 and

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

25 (10) that the board shall meet at least 4 times  
26 annually;

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

4           (12) the designation of an officer to mail and receive  
5           all notices and execute amendments to condominium  
6           instruments as provided for in this Act and in the  
7           condominium instruments;

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

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

25          (15) provisions concerning notice of board meetings to  
26          members of the board;



1           (16) the board of managers may not enter into a  
2 contract with a current board member or with a corporation  
3 or partnership in which a board member or a member of the  
4 board member's immediate family has 25% or more interest,  
5 unless notice of intent to enter the contract is given to  
6 unit owners within 20 days after a decision is made to  
7 enter into the contract and the unit owners are afforded an  
8 opportunity by filing a petition, signed by 20% of the unit  
9 owners, for an election to approve or disapprove the  
10 contract; such petition shall be filed within 20 days after  
11 such notice and such election shall be held within 30 days  
12 after filing the petition; for purposes of this subsection,  
13 a board member's immediate family means the board member's  
14 spouse, parents, and children;

15           (17) that the board of managers may disseminate to unit  
16 owners biographical and background information about  
17 candidates for election to the board if (i) reasonable  
18 efforts to identify all candidates are made and all  
19 candidates are given an opportunity to include  
20 biographical and background information in the information  
21 to be disseminated; and (ii) the board does not express a  
22 preference in favor of any candidate;

23           (18) any proxy distributed for board elections by the  
24 board of managers gives unit owners the opportunity to  
25 designate any person as the proxy holder, and gives the  
26 unit owner the opportunity to express a preference for any

1 of the known candidates for the board or to write in a  
2 name;

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

6 (20) that the board of managers may establish and  
7 maintain a system of master metering of public utility  
8 services and collect payments in connection therewith,  
9 subject to the requirements of the Tenant Utility Payment  
10 Disclosure Act; and

11 (21) that the board may ratify and confirm actions of  
12 the members of the board taken in response to an emergency,  
13 as that term is defined in subdivision (a)(8)(iv) of this  
14 Section; that the board shall give notice to the unit  
15 owners of: (i) the occurrence of the emergency event within  
16 7 business days after the emergency event, and (ii) the  
17 general description of the actions taken to address the  
18 event within 7 days after the emergency event.

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

22 (b)(1) What percentage of the unit owners, if other  
23 than 20%, shall constitute a quorum provided that, for  
24 condominiums with 20 or more units, the percentage of unit  
25 owners constituting a quorum shall be 20% unless the unit  
26 owners holding a majority of the percentage interest in the

1 association provide for a higher percentage, provided that  
2 in voting on amendments to the association's bylaws, a unit  
3 owner who is in arrears on the unit owner's regular or  
4 separate assessments for 60 days or more, shall not be  
5 counted for purposes of determining if a quorum is present,  
6 but that unit owner retains the right to vote on amendments  
7 to the association's bylaws;

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

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

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

14 (5) that special meetings of the members can be called  
15 by the president, board of managers, or by 20% of unit  
16 owners;

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

1           (7) that voting shall be on a percentage basis, and  
2           that the percentage vote to which each unit is entitled is  
3           the percentage interest of the undivided ownership of the  
4           common elements appurtenant thereto, provided that the  
5           bylaws may provide for approval by unit owners in  
6           connection with matters where the requisite approval on a  
7           percentage basis is not specified in this Act, on the basis  
8           of one vote per unit;

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

21          (9) (A) except as provided in subparagraph (B) of this  
22          paragraph (9) in connection with board elections, that a  
23          unit owner may vote by proxy executed in writing by the  
24          unit owner or by his duly authorized attorney in fact; that  
25          the proxy must bear the date of execution and, unless the  
26          condominium instruments or the written proxy itself

1 provide otherwise, is invalid after 11 months from the date  
2 of its execution; to the extent the condominium instruments  
3 or rules adopted thereunder expressly so provide, a vote or  
4 proxy may be submitted by electronic transmission,  
5 provided that any such electronic transmission shall  
6 either set forth or be submitted with information from  
7 which it can be determined that the electronic transmission  
8 was authorized by the unit owner or the unit owner's proxy;

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

1           timely written notice of their candidacy and must give the  
2           person casting the ballot the opportunity to cast votes for  
3           candidates whose names do not appear on the ballot; that a  
4           ballot received by the association or its designated agent  
5           after the close of voting shall not be counted; that a unit  
6           owner who submits a ballot by mail or other means of  
7           delivery specified in the declaration, bylaws, or rule may  
8           request and cast a ballot in person at the election  
9           meeting, and thereby void any ballot previously submitted  
10          by that unit owner;

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

1 include the names of all candidates who have given the  
2 board or its authorized agent timely written notice of  
3 their candidacy and must give the person voting through  
4 electronic or acceptable technological means the  
5 opportunity to cast votes for candidates whose names do not  
6 appear on the ballot; a unit owner who submits a vote using  
7 electronic or acceptable technological means may request  
8 and cast a ballot in person at the election meeting,  
9 thereby voiding any vote previously submitted by that unit  
10 owner;

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

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

24 (10) that the association may, upon adoption of the  
25 appropriate rules by the board of managers, conduct  
26 elections by secret ballot whereby the voting ballot is

1 marked only with the percentage interest for the unit and  
2 the vote itself, provided that the board further adopt  
3 rules to verify the status of the unit owner issuing a  
4 proxy or casting a ballot; and further, that a candidate  
5 for election to the board of managers or such candidate's  
6 representative shall have the right to be present at the  
7 counting of ballots at such election;

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



1 ~~Unit Installment Contract Act;~~

2 (12) the method by which matters subject to the  
3 approval of unit owners set forth in this Act, or in the  
4 condominium instruments, will be submitted to the unit  
5 owners at special membership meetings called for such  
6 purposes; and

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

11 (i) merger or consolidation of the association;

12 (ii) sale, lease, exchange, or other disposition  
13 (excluding the mortgage or pledge) of all, or  
14 substantially all of the property and assets of the  
15 association; and

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

18 (c) Election of a president from among the board of  
19 managers, who shall preside over the meetings of the board  
20 of managers and of the unit owners.

21 (d) Election of a secretary from among the board of  
22 managers, who shall keep the minutes of all meetings of the  
23 board of managers and of the unit owners and who shall, in  
24 general, perform all the duties incident to the office of  
25 secretary.

26 (e) Election of a treasurer from among the board of

1 managers, who shall keep the financial records and books of  
2 account.

3 (f) Maintenance, repair and replacement of the common  
4 elements and payments therefor, including the method of  
5 approving payment vouchers.

6 (g) An association with 30 or more units shall obtain  
7 and maintain fidelity insurance covering persons who  
8 control or disburse funds of the association for the  
9 maximum amount of coverage available to protect funds in  
10 the custody or control of the association plus the  
11 association reserve fund. All management companies which  
12 are responsible for the funds held or administered by the  
13 association shall maintain and furnish to the association a  
14 fidelity bond for the maximum amount of coverage available  
15 to protect funds in the custody of the management company  
16 at any time. The association shall bear the cost of the  
17 fidelity insurance and fidelity bond, unless otherwise  
18 provided by contract between the association and a  
19 management company. The association shall be the direct  
20 obligee of any such fidelity bond. A management company  
21 holding reserve funds of an association shall at all times  
22 maintain a separate account for each association,  
23 provided, however, that for investment purposes, the Board  
24 of Managers of an association may authorize a management  
25 company to maintain the association's reserve funds in a  
26 single interest bearing account with similar funds of other

1 associations. The management company shall at all times  
2 maintain records identifying all moneys of each  
3 association in such investment account. The management  
4 company may hold all operating funds of associations which  
5 it manages in a single operating account but shall at all  
6 times maintain records identifying all moneys of each  
7 association in such operating account. Such operating and  
8 reserve funds held by the management company for the  
9 association shall not be subject to attachment by any  
10 creditor of the management company.

11 For the purpose of this subsection, a management  
12 company shall be defined as a person, partnership,  
13 corporation, or other legal entity entitled to transact  
14 business on behalf of others, acting on behalf of or as an  
15 agent for a unit owner, unit owners or association of unit  
16 owners for the purpose of carrying out the duties,  
17 responsibilities, and other obligations necessary for the  
18 day to day operation and management of any property subject  
19 to this Act. For purposes of this subsection, the term  
20 "fiduciary insurance coverage" shall be defined as both a  
21 fidelity bond and directors and officers liability  
22 coverage, the fidelity bond in the full amount of  
23 association funds and association reserves that will be in  
24 the custody of the association, and the directors and  
25 officers liability coverage at a level as shall be  
26 determined to be reasonable by the board of managers, if

1 not otherwise established by the declaration or by laws.

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

8 (h) Method of estimating the amount of the annual  
9 budget, and the manner of assessing and collecting from the  
10 unit owners their respective shares of such estimated  
11 expenses, and of any other expenses lawfully agreed upon.

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

17 (j) Designation and removal of personnel necessary for  
18 the maintenance, repair and replacement of the common  
19 elements.

20 (k) Such restrictions on and requirements respecting  
21 the use and maintenance of the units and the use of the  
22 common elements, not set forth in the declaration, as are  
23 designed to prevent unreasonable interference with the use  
24 of their respective units and of the common elements by the  
25 several unit owners.

26 (l) Method of adopting and of amending administrative

1 rules and regulations governing the operation and use of  
2 the common elements.

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

6 (n) (i) The provisions of this Act, the declaration,  
7 bylaws, other condominium instruments, and rules and  
8 regulations that relate to the use of the individual unit  
9 or the common elements shall be applicable to any person  
10 leasing a unit and shall be deemed to be incorporated in  
11 any lease executed or renewed on or after August 30, 1984  
12 (the effective date of Public Act 83-1271).

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

1 proceed directly against a tenant, at law or in equity, or  
2 under the provisions of Article IX of the Code of Civil  
3 Procedure, for any other breach by tenant of any covenants,  
4 rules, regulations or bylaws.

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

7 (p) That when 30% or fewer of the units, by number,  
8 possess over 50% in the aggregate of the votes in the  
9 association, any percentage vote of members specified  
10 herein or in the condominium instruments shall require the  
11 specified percentage by number of units rather than by  
12 percentage of interest in the common elements allocated to  
13 units that would otherwise be applicable and garage units  
14 or storage units, or both, shall have, in total, no more  
15 votes than their aggregate percentage of ownership in the  
16 common elements; this shall mean that if garage units or  
17 storage units, or both, are to be given a vote, or portion  
18 of a vote, that the association must add the total number  
19 of votes cast of garage units, storage units, or both, and  
20 divide the total by the number of garage units, storage  
21 units, or both, and multiply by the aggregate percentage of  
22 ownership of garage units and storage units to determine  
23 the vote, or portion of a vote, that garage units or  
24 storage units, or both, have. For purposes of this  
25 subsection (p), when making a determination of whether 30%  
26 or fewer of the units, by number, possess over 50% in the

1 aggregate of the votes in the association, a unit shall not  
2 include a garage unit or a storage unit.

3 (q) That a unit owner may not assign, delegate,  
4 transfer, surrender, or avoid the duties,  
5 responsibilities, and liabilities of a unit owner under  
6 this Act, the condominium instruments, or the rules and  
7 regulations of the Association; and that such an attempted  
8 assignment, delegation, transfer, surrender, or avoidance  
9 shall be deemed void.

10 The provisions of this Section are applicable to all  
11 condominium instruments recorded under this Act. Any portion of  
12 a condominium instrument which contains provisions contrary to  
13 these provisions shall be void as against public policy and  
14 ineffective. Any such instrument which fails to contain the  
15 provisions required by this Section shall be deemed to  
16 incorporate such provisions by operation of law.

17 (Source: P.A. 98-1042, eff. 1-1-15; 99-472, eff. 6-1-16;  
18 99-567, eff. 1-1-17; 99-642, eff. 7-28-16.)

19 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

20 Sec. 18.5. Master Associations.

21 (a) If the declaration, other condominium instrument, or  
22 other duly recorded covenants provide that any of the powers of  
23 the unit owners associations are to be exercised by or may be  
24 delegated to a nonprofit corporation or unincorporated  
25 association that exercises those or other powers on behalf of

1 one or more condominiums, or for the benefit of the unit owners  
2 of one or more condominiums, such corporation or association  
3 shall be a master association.

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

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

12 (c) Meetings and finances.

13 (1) Each unit owner of a condominium subject to the  
14 authority of the board of the master association shall  
15 receive, at least 30 days prior to the adoption thereof by  
16 the board of the master association, a copy of the proposed  
17 annual budget.

18 (2) The board of the master association shall annually  
19 supply to all unit owners of condominiums subject to the  
20 authority of the board of the master association an  
21 itemized accounting of the common expenses for the  
22 preceding year actually incurred or paid, together with a  
23 tabulation of the amounts collected pursuant to the budget  
24 or assessment, and showing the net excess or deficit of  
25 income over expenditures plus reserves.

26 (3) Each unit owner of a condominium subject to the



1 authority of the board of the master association shall  
2 receive written notice mailed or delivered no less than 10  
3 and no more than 30 days prior to any meeting of the board  
4 of the master association concerning the adoption of the  
5 proposed annual budget or any increase in the budget, or  
6 establishment of an assessment.

7 (4) Meetings of the board of the master association  
8 shall be open to any unit owner in a condominium subject to  
9 the authority of the board of the master association,  
10 except for the portion of any meeting held:

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

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

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

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

24 Any unit owner may record the proceedings at meetings  
25 required to be open by this Act by tape, film or other  
26 means; the board may prescribe reasonable rules and

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

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

1 seller and purchaser both be counted toward a quorum, be  
2 permitted to vote for a particular office, or be elected  
3 and serve on the board. Satisfactory evidence of the  
4 installment sales contract shall be made available to the  
5 association or its agents. For purposes of this subsection,  
6 "installment sales contract" shall have the same meaning as  
7 set forth in Section 5 of the Installment Sales Contract  
8 Act ~~subsection (c) of Section 1 of the Dwelling Unit~~  
9 ~~Installment Contract Act.~~

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

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

23 (8) Other than attorney's fees, no fees pertaining to  
24 the collection of a unit owner's financial obligation to  
25 the Association, including fees charged by a manager or  
26 managing agent, shall be added to and deemed a part of an

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

9 (d) Records.

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

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

26 (ii) Detailed and accurate records in

1           chronological order of the receipts and expenditures  
2           affecting the common areas, specifying and itemizing  
3           the maintenance and repair expenses of the common areas  
4           and any other expenses incurred, and copies of all  
5           contracts, leases, or other agreements entered into by  
6           the master association, shall be maintained.

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

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

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

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

25          (2) Where a request for records under this subsection  
26          is made in writing to the board of managers or its agent,

1 failure to provide the requested record or to respond  
2 within 30 days shall be deemed a denial by the board of  
3 directors.

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

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

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

16 (f) Administration of property prior to election of the  
17 initial board of directors.

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

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

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

1           (4) Within 60 days following the election of a majority  
2 of the board of directors, other than the developer, by  
3 unit owners, the developer shall deliver to the board of  
4 directors:

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

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

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

24           (iv) A schedule of all real or personal property,  
25 equipment and fixtures belonging to the association,  
26 including documents transferring the property,



1           warranties, if any, for all real and personal property  
2           and equipment, deeds, title insurance policies, and  
3           all tax bills.

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

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

1           10 day demand.

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

1 lease, or other agreement shall also have the right of  
2 cancellation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (h) Errors and omissions.

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

26 (2) If, through a scrivener's error, a unit has not

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

23               (3) If an omission or error or a scrivener's error in  
24               the declaration or other instrument is corrected by vote of  
25               two-thirds of the members of the board of directors  
26               pursuant to the authority established in subdivisions

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

23 (4) The procedures for amendments set forth in this  
24 subsection (h) cannot be used if such an amendment would  
25 materially or adversely affect property rights of the unit  
26 owners unless the affected unit owners consent in writing.

1 This Section does not restrict the powers of the  
2 association to otherwise amend the declaration, bylaws, or  
3 other condominium instruments, but authorizes a simple  
4 process of amendment requiring a lesser vote for the  
5 purpose of correcting defects, errors, or omissions when  
6 the property rights of the unit owners are not materially  
7 or adversely affected.

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

26 (6) Nothing contained in this Section shall be



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

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

25 (j) (Blank).

26 (Source: P.A. 96-1045, eff. 7-14-10; 97-535, eff. 1-1-12;

1 97-605, eff. 8-26-11; 97-813, eff. 7-13-12.)

2 (765 ILCS 70/Act rep.)

3 Section 915. The Dwelling Structure Contract Act is  
4 repealed.

5 (765 ILCS 75/Act rep.)

6 Section 920. The Dwelling Unit Installment Contract Act is  
7 repealed.

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

10 (815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

11 Sec. 2Z. Violations of other Acts. Any person who knowingly  
12 violates the Automotive Repair Act, the Automotive Collision  
13 Repair Act, the Home Repair and Remodeling Act, the Dance  
14 Studio Act, the Physical Fitness Services Act, the Hearing  
15 Instrument Consumer Protection Act, the Illinois Union Label  
16 Act, the Installment Sales Contract Act, the Job Referral and  
17 Job Listing Services Consumer Protection Act, the Travel  
18 Promotion Consumer Protection Act, the Credit Services  
19 Organizations Act, the Automatic Telephone Dialers Act, the  
20 Pay-Per-Call Services Consumer Protection Act, the Telephone  
21 Solicitations Act, the Illinois Funeral or Burial Funds Act,  
22 the Cemetery Oversight Act, the Cemetery Care Act, the Safe and

1 Hygienic Bed Act, the Pre-Need Cemetery Sales Act, the High  
2 Risk Home Loan Act, the Payday Loan Reform Act, the Mortgage  
3 Rescue Fraud Act, subsection (a) or (b) of Section 3-10 of the  
4 Cigarette Tax Act, subsection (a) or (b) of Section 3-10 of the  
5 Cigarette Use Tax Act, the Electronic Mail Act, the Internet  
6 Caller Identification Act, paragraph (6) of subsection (k) of  
7 Section 6-305 of the Illinois Vehicle Code, Section 11-1431,  
8 18d-115, 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the  
9 Illinois Vehicle Code, Article 3 of the Residential Real  
10 Property Disclosure Act, the Automatic Contract Renewal Act,  
11 the Reverse Mortgage Act, Section 25 of the Youth Mental Health  
12 Protection Act, or the Personal Information Protection Act  
13 commits an unlawful practice within the meaning of this Act.

14 (Source: P.A. 99-331, eff. 1-1-16; 99-411, eff. 1-1-16; 99-642,  
15 eff. 7-28-16.)

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