



## 96TH GENERAL ASSEMBLY

### State of Illinois

#### 2009 and 2010

#### HB3955

Introduced 2/26/2009, by Rep. Harry Osterman

#### SYNOPSIS AS INTRODUCED:

765 ILCS 605/2	from Ch. 30, par. 302
765 ILCS 605/9	from Ch. 30, par. 309
765 ILCS 605/18	from Ch. 30, par. 318
765 ILCS 605/18.4	from Ch. 30, par. 318.4
765 ILCS 605/18.5	from Ch. 30, par. 318.5
765 ILCS 605/22	from Ch. 30, par. 322
765 ILCS 605/22.1	from Ch. 30, par. 322.1
765 ILCS 605/33 new	

Amends the Condominium Property Act. Provides that Board of Managers meeting is a gathering of a quorum of Board Members to conduct business means acting or voting, not simple discussion (instead of to conduct business). Provides that upon filing any action to foreclose a lien on a condominium unit, the mortgagee shall be responsible for all assessments accruing beginning with the month after the month in which the action was filed. Provides that a unit owner who prevails in a Civil action brought to enforce the Act or the condominium instruments may recover damages of at least \$1000, which shall be trebled by the court, if there is a showing by clear and convincing evidence that the wrongful actions complained of were willful and wanton and without legal justification, provided that the unit owner obtained a written opinion from an Illinois attorney that the owner had a colorable claim and the owner gave notice of the intent to file the action at least 60 days before filing. Provides a form of financial questions that a unit owner may pose to an association. Provides for a developer to place in escrow an amount equal to 20% of the aggregate initial sale prices of all units to address common element deficiencies. Makes other changes. Effective immediately.

LRB096 06280 AJ0 16363 b

1 AN ACT concerning civil law.

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

4 Section 5. The Condominium Property Act is amended by  
5 changing Sections 2, 9, 18, 18.4, 18.5, 22, and 22.1 and by  
6 adding Section 33 as follows:

7 (765 ILCS 605/2) (from Ch. 30, par. 302)

8 Sec. 2. Definitions. As used in this Act, unless the  
9 context otherwise requires:

10 (a) "Declaration" means the instrument by which the  
11 property is submitted to the provisions of this Act, as  
12 hereinafter provided, and such declaration as from time to time  
13 amended.

14 (b) "Parcel" means the lot or lots, tract or tracts of  
15 land, described in the declaration, submitted to the provisions  
16 of this Act.

17 (c) "Property" means all the land, property and space  
18 comprising the parcel, all improvements and structures  
19 erected, constructed or contained therein or thereon,  
20 including the building and all easements, rights and  
21 appurtenances belonging thereto, and all fixtures and  
22 equipment intended for the mutual use, benefit or enjoyment of  
23 the unit owners, submitted to the provisions of this Act.

1 (d) "Unit" means a part of the property designed and  
2 intended for any type of independent use.

3 (e) "Common Elements" means all portions of the property  
4 except the units, including limited common elements unless  
5 otherwise specified.

6 (f) "Person" means a natural individual, corporation,  
7 partnership, trustee or other legal entity capable of holding  
8 title to real property.

9 (g) "Unit Owner" means the person or persons whose estates  
10 or interests, individually or collectively, aggregate fee  
11 simple absolute ownership of a unit, or, in the case of a  
12 leasehold condominium, the lessee or lessees of a unit whose  
13 leasehold ownership of the unit expires simultaneously with the  
14 lease described in item (x) of this Section.

15 (h) "Majority" or "majority of the unit owners" means the  
16 owners of more than 50% in the aggregate in interest of the  
17 undivided ownership of the common elements. Any specified  
18 percentage of the unit owners means such percentage in the  
19 aggregate in interest of such undivided ownership. "Majority"  
20 or "majority of the members of the board of managers" means  
21 more than 50% of the total number of persons constituting such  
22 board pursuant to the bylaws. Any specified percentage of the  
23 members of the board of managers means that percentage of the  
24 total number of persons constituting such board pursuant to the  
25 bylaws.

26 (i) "Plat" means a plat or plats of survey of the parcel

1 and of all units in the property submitted to the provisions of  
2 this Act, which may consist of a three-dimensional horizontal  
3 and vertical delineation of all such units.

4 (j) "Record" means to record in the office of the recorder  
5 or, whenever required, to file in the office of the Registrar  
6 of Titles of the county wherein the property is located.

7 (k) "Conversion Condominium" means a property which  
8 contains structures, excepting those newly constructed and  
9 intended for condominium ownership, which are, or have  
10 previously been, wholly or partially occupied before recording  
11 of condominium instruments by persons other than those who have  
12 contracted for the purchase of condominiums.

13 (l) "Condominium Instruments" means all documents and  
14 authorized amendments thereto recorded pursuant to the  
15 provisions of the Act, including the declaration, bylaws and  
16 plat.

17 (m) "Common Expenses" means the proposed or actual expenses  
18 affecting the property, including reserves, if any, lawfully  
19 assessed by the Board of Managers of the Unit Owner's  
20 Association.

21 (n) "Reserves" means those sums paid by unit owners which  
22 are separately maintained by the board of managers for purposes  
23 specified by the board of managers or the condominium  
24 instruments.

25 (o) "Unit Owners' Association" or "Association" means the  
26 association of all the unit owners, acting pursuant to bylaws

1 through its duly elected board of managers.

2 (p) "Purchaser" means any person or persons other than the  
3 Developer who purchase a unit in a bona fide transaction for  
4 value.

5 (q) "Developer" means any person who submits property  
6 legally or equitably owned in fee simple by the developer, or  
7 leased to the developer under a lease described in item (x) of  
8 this Section, to the provisions of this Act, or any person who  
9 offers units legally or equitably owned in fee simple by the  
10 developer, or leased to the developer under a lease described  
11 in item (x) of this Section, for sale in the ordinary course of  
12 such person's business, including any successor or successors  
13 to such developers' entire interest in the property other than  
14 the purchaser of an individual unit.

15 (r) "Add-on Condominium" means a property to which  
16 additional property may be added in accordance with condominium  
17 instruments and this Act.

18 (s) "Limited Common Elements" means a portion of the common  
19 elements so designated in the declaration as being reserved for  
20 the use of a certain unit or units to the exclusion of other  
21 units, including but not limited to balconies, terraces, patios  
22 and parking spaces or facilities.

23 (t) "Building" means all structures, attached or  
24 unattached, containing one or more units.

25 (u) "Master Association" means an organization described  
26 in Section 18.5 whether or not it is also an association

1 described in Section 18.3.

2 (v) "Developer Control" means such control at a time prior  
3 to the election of the Board of Managers provided for in  
4 Section 18.2(b) of this Act.

5 (w) "Meeting of Board of Managers or Board of Master  
6 Association" means any gathering of a quorum of the members of  
7 the Board of Managers or Board of the Master Association held  
8 for the purpose of conducting board business, provided that  
9 "conducting board business" means proposing, making or taking  
10 action or voting on matters, but not simply or exclusively  
11 discussing matters.

12 (x) "Leasehold Condominium" means a property submitted to  
13 the provisions of this Act which is subject to a lease, the  
14 expiration or termination of which would terminate the  
15 condominium and the lessor of which is (i) exempt from taxation  
16 under Section 501(c)(3) of the Internal Revenue Code of 1986,  
17 as amended, (ii) a limited liability company whose sole member  
18 is exempt from taxation under Section 501 (c)(3) of the  
19 Internal Revenue Code of 1986, as amended, or (iii) a Public  
20 Housing Authority created pursuant to the Housing Authorities  
21 Act that is located in a municipality having a population in  
22 excess of 1,000,000 inhabitants.

23 (Source: P.A. 93-474, eff. 8-8-03.)

24 (765 ILCS 605/9) (from Ch. 30, par. 309)

25 Sec. 9. Sharing of expenses - Lien for nonpayment.

1           (a) All common expenses incurred or accrued prior to the  
2 first conveyance of a unit shall be paid by the developer, and  
3 during this period no common expense assessment shall be  
4 payable to the association. It shall be the duty of each unit  
5 owner including the developer to pay his proportionate share of  
6 the common expenses commencing with the first conveyance. The  
7 proportionate share shall be in the same ratio as his  
8 percentage of ownership in the common elements set forth in the  
9 declaration.

10           (b) The condominium instruments may provide that common  
11 expenses for insurance premiums be assessed on a basis  
12 reflecting increased charges for coverage on certain units.

13           (c) Budget and reserves.

14           (1) The board of managers shall prepare and distribute  
15 to all unit owners a detailed proposed annual budget,  
16 setting forth with particularity all anticipated common  
17 expenses by category as well as all anticipated assessments  
18 and other income. The initial budget and common expense  
19 assessment based thereon shall be adopted prior to the  
20 conveyance of any unit. The budget shall also set forth  
21 each unit owner's proposed common expense assessment.

22           (2) All budgets adopted by a board of managers on or  
23 after July 1, 1990 shall provide for reasonable reserves  
24 for capital expenditures and deferred maintenance for  
25 repair or replacement of the common elements. To determine  
26 the amount of reserves appropriate for an association, the

1 board of managers shall take into consideration the  
2 following: (i) the repair and replacement cost, and the  
3 estimated useful life, of the property which the  
4 association is obligated to maintain, including but not  
5 limited to structural and mechanical components, surfaces  
6 of the buildings and common elements, and energy systems  
7 and equipment; (ii) the current and anticipated return on  
8 investment of association funds; (iii) any independent  
9 professional reserve study which the association may  
10 obtain; (iv) the financial impact on unit owners, and the  
11 market value of the condominium units, of any assessment  
12 increase needed to fund reserves; and (v) the ability of  
13 the association to obtain financing or refinancing.

14 (3) Notwithstanding the provisions of this subsection  
15 (c), an association without a reserve requirement in its  
16 condominium instruments may elect to waive in whole or in  
17 part the reserve requirements of this Section by a vote of  
18 2/3 of the total votes of the association. Any association  
19 having elected under this paragraph (3) to waive the  
20 provisions of subsection (c) may by a vote of 2/3 of the  
21 total votes of the association elect to again be governed  
22 by the requirements of subsection (c).

23 (4) In the event that an association elects to waive  
24 all or part of the reserve requirements of this Section,  
25 that fact must be disclosed after the meeting at which the  
26 waiver occurs by the association in the financial



1 statements of the association and, highlighted in bold  
2 print, in the response to any request of a prospective  
3 purchaser for the information prescribed under Section  
4 22.1; and no member of the board of managers or the  
5 managing agent of the association shall be liable, and no  
6 cause of action may be brought for damages against these  
7 parties, for the lack or inadequacy of reserve funds in the  
8 association budget.

9 (d) (Blank).

10 (e) The condominium instruments may provide for the  
11 assessment, in connection with expenditures for the limited  
12 common elements, of only those units to which the limited  
13 common elements are assigned.

14 (f) Payment of any assessment shall be in amounts and at  
15 times determined by the board of managers.

16 (g) Lien.

17 (1) If any unit owner shall fail or refuse to make any  
18 payment of the common expenses or the amount of any unpaid  
19 fine when due, the amount thereof together with any  
20 interest, late charges, reasonable attorney fees incurred  
21 enforcing the covenants of the condominium instruments,  
22 rules and regulations of the board of managers, or any  
23 applicable statute or ordinance, and costs of collections  
24 shall constitute a lien on the interest of the unit owner  
25 in the property prior to all other liens and encumbrances,  
26 recorded or unrecorded, except only (a) taxes, special

1 assessments and special taxes theretofore or thereafter  
2 levied by any political subdivision or municipal  
3 corporation of this State and other State or federal taxes  
4 which by law are a lien on the interest of the unit owner  
5 prior to preexisting recorded encumbrances thereon and (b)  
6 encumbrances on the interest of the unit owner recorded  
7 prior to the date of such failure or refusal which by law  
8 would be a lien thereon prior to subsequently recorded  
9 encumbrances. Any action brought to extinguish the lien of  
10 the association shall include the association as a party.

11 (2) With respect to encumbrances executed prior to  
12 August 30, 1984 or encumbrances executed subsequent to  
13 August 30, 1984 which are neither bonafide first mortgages  
14 nor trust deeds and which encumbrances contain a statement  
15 of a mailing address in the State of Illinois where notice  
16 may be mailed to the encumbrancer thereunder, if and  
17 whenever and as often as the manager or board of managers  
18 shall send, by United States certified or registered mail,  
19 return receipt requested, to any such encumbrancer at the  
20 mailing address set forth in the recorded encumbrance a  
21 statement of the amounts and due dates of the unpaid common  
22 expenses with respect to the encumbered unit, then, unless  
23 otherwise provided in the declaration or bylaws, the prior  
24 recorded encumbrance shall be subject to the lien of all  
25 unpaid common expenses with respect to the unit which  
26 become due and payable within a period of 90 days after the

1 date of mailing of each such notice.

2 (3) The purchaser of a condominium unit at a judicial  
3 foreclosure sale, or a mortgagee who receives title to a  
4 unit by deed in lieu of foreclosure or judgment by common  
5 law strict foreclosure or otherwise takes possession  
6 pursuant to court order under the Illinois Mortgage  
7 Foreclosure Law, shall have the duty to pay the unit's  
8 proportionate share of the common expenses for the unit  
9 assessed from and after the first day of the month after  
10 the date of the judicial foreclosure sale, delivery of the  
11 deed in lieu of foreclosure, entry of a judgment in common  
12 law strict foreclosure, or taking of possession pursuant to  
13 such court order. Such payment confirms the extinguishment  
14 of any lien created pursuant to paragraph (1) or (2) of  
15 this subsection (g) by virtue of the failure or refusal of  
16 a prior unit owner to make payment of common expenses,  
17 where the judicial foreclosure sale has been confirmed by  
18 order of the court, a deed in lieu thereof has been  
19 accepted by the lender, or a consent judgment has been  
20 entered by the court.

21 (4) After filing an action to foreclose its lien on a  
22 condominium unit, the mortgagee shall be responsible for  
23 all assessments accruing from and after the first day of  
24 the month after the filing of the action up to the date of  
25 the judicial foreclosure sale, and unless the purchaser at  
26 the judicial foreclosure sale is a person other than the

1 mortgagee, the mortgagee's responsibility for assessments  
2 shall continue until title to the unit is transferred. The  
3 ~~purchaser of a condominium unit at a judicial foreclosure~~  
4 ~~sale, other than a mortgagee, who takes possession of a~~  
5 ~~condominium unit pursuant to a court order or a purchaser~~  
6 ~~who acquires title from a mortgagee shall have the duty to~~  
7 ~~pay the proportionate share, if any, of the common expenses~~  
8 ~~for the unit which would have become due in the absence of~~  
9 ~~any assessment acceleration during the 6 months~~  
10 ~~immediately preceding institution of an action to enforce~~  
11 ~~the collection of assessments, and which remain unpaid by~~  
12 ~~the owner during whose possession the assessments accrued.~~  
13 ~~If the outstanding assessments are paid at any time during~~  
14 ~~any action to enforce the collection of assessments, the~~  
15 ~~purchaser shall have no obligation to pay any assessments~~  
16 ~~which accrued before he or she acquired title.~~

17 (5) The notice of sale of a condominium unit under  
18 subsection (c) of Section 15-1507 of the Code of Civil  
19 Procedure shall state that the purchaser of the unit other  
20 than a mortgagee shall pay the assessments and the legal  
21 fees required by subdivisions (g) (1) and (g) (4) of Section  
22 9 of this Act. The statement of assessment account issued  
23 by the association to a unit owner under subsection (i) of  
24 Section 18 of this Act, and the disclosure statement issued  
25 to a prospective purchaser under Section 22.1 of this Act,  
26 shall state the amount of the assessments and the legal

1 fees, if any, required by subdivisions (g) (1) and (g) (4) of  
2 Section 9 of this Act.

3 (h) A lien for common expenses shall be in favor of the  
4 members of the board of managers and their successors in office  
5 and shall be for the benefit of all other unit owners. Notice  
6 of the lien may be recorded by the board of managers, or if the  
7 developer is the manager or has a majority of seats on the  
8 board of managers and the manager or board of managers fails to  
9 do so, any unit owner may record notice of the lien. Upon the  
10 recording of such notice the lien may be foreclosed by an  
11 action brought in the name of the board of managers in the same  
12 manner as a mortgage of real property.

13 (i) Unless otherwise provided in the declaration, the  
14 members of the board of managers and their successors in  
15 office, acting on behalf of the other unit owners, shall have  
16 the power to bid on the interest so foreclosed at the  
17 foreclosure sale, and to acquire and hold, lease, mortgage and  
18 convey it.

19 (j) Any encumbrancer may from time to time request in  
20 writing a written statement from the manager or board of  
21 managers setting forth the unpaid common expenses with respect  
22 to the unit covered by his encumbrance. Unless the request is  
23 complied with within 20 days, all unpaid common expenses which  
24 become due prior to the date of the making of such request  
25 shall be subordinate to the lien of the encumbrance. Any  
26 encumbrancer holding a lien on a unit may pay any unpaid common

1 expenses payable with respect to the unit, and upon payment the  
2 encumbrancer shall have a lien on the unit for the amounts paid  
3 at the same rank as the lien of his encumbrance.

4 (k) Nothing in Public Act 83-1271 is intended to change the  
5 lien priorities of any encumbrance created prior to August 30,  
6 1984.

7 (Source: P.A. 94-1049, eff. 1-1-07.)

8 (765 ILCS 605/18) (from Ch. 30, par. 318)

9 Sec. 18. Contents of bylaws. The bylaws shall provide for  
10 at least the following:

11 (a) (1) The election from among the unit owners of a board  
12 of managers, the number of persons constituting such board,  
13 ~~and that the terms of at least one-third~~ of the members of  
14 the board, ~~shall expire annually~~ and that all members of  
15 the board shall be elected at large. If there are multiple  
16 owners of a single unit, only one of the multiple owners  
17 shall be eligible to serve as a member of the board at any  
18 one time.

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

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

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

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

1           (6) that each unit owner shall receive, at least 30  
2 days prior to the adoption thereof by the board of  
3 managers, a copy of the proposed annual budget together  
4 with an indication of which portions are intended for  
5 reserves, capital expenditures or repairs or payment of  
6 real estate taxes;

7           (7) that the board of managers shall annually make  
8 available within 120 days of close of the fiscal year  
9 ~~supply~~ to all unit owners an itemized accounting (for  
10 associations with 30 or more units, the accounting shall  
11 include a balance sheet and income statement) of the common  
12 expenses for the preceding year actually incurred or paid,  
13 together with an indication of which portions were for  
14 reserves, capital expenditures or repairs or payment of  
15 real estate taxes and with a tabulation of the amounts  
16 collected pursuant to the budget or assessment, and showing  
17 the net excess or deficit of income over expenditures plus  
18 reserves;

19           (8) (i) that each unit owner shall receive notice, in  
20 the same manner as is provided in this Act for membership  
21 meetings, of any meeting of the board of managers  
22 concerning the adoption of the proposed annual budget and  
23 regular assessments pursuant thereto or to adopt a separate  
24 (special) assessment, (ii) that except as provided in  
25 subsection (iv) below, if an adopted budget or any separate  
26 assessment adopted by the board would result in the sum of

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



1 managers may adopt separate assessments payable over more  
2 than one fiscal year. With respect to multi-year  
3 assessments not governed by items (iv) and (v), the entire  
4 amount of the multi-year assessment shall be deemed  
5 considered and authorized in the first fiscal year in which  
6 the assessment is approved;

7 (9) that meetings of the board of managers shall be  
8 open to any unit owner, except for the portion of any  
9 meeting held (i) to discuss litigation when an action  
10 against or on behalf of the particular association has been  
11 filed and is pending in a court or administrative tribunal,  
12 or when the board of managers finds that such an action is  
13 probable or imminent, (ii) to consider information  
14 regarding appointment, employment or dismissal of an  
15 employee, or (iii) to discuss violations of rules and  
16 regulations of the association or a unit owner's unpaid  
17 share of common expenses; that any vote on these matters  
18 shall be taken at a meeting or portion thereof open to any  
19 unit owner; that any unit owner may record the proceedings  
20 at meetings or portions thereof required to be open by this  
21 Act by tape, film or other means; that the board may  
22 prescribe reasonable rules and regulations to govern the  
23 right to make such recordings, that notice of such meetings  
24 shall be mailed or delivered at least 48 hours prior  
25 thereto, unless a written waiver of such notice is signed  
26 by the person or persons entitled to such notice pursuant

1 to the declaration, bylaws, other condominium instrument,  
2 or provision of law other than this subsection before the  
3 meeting is convened, and that copies of notices of meetings  
4 of the board of managers shall be posted in entranceways,  
5 elevators, or other conspicuous places in the condominium  
6 at least 48 hours prior to the meeting of the board of  
7 managers except where there is no common entranceway for 7  
8 or more units, the board of managers may designate one or  
9 more locations in the proximity of these units where the  
10 notices of meetings shall be posted;

11 (10) that the board shall meet at least 4 times  
12 annually;

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

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

20 (13) the method of filling vacancies on the board which  
21 shall include authority for the remaining members of the  
22 board to fill the vacancy by two-thirds vote until the next  
23 annual meeting of unit owners or for a period terminating  
24 no later than 30 days following the filing of a petition  
25 signed by unit owners holding 20% of the votes of the  
26 association requesting a meeting of the unit owners to fill

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

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

11 (15) provisions concerning notice of board meetings to  
12 members of the board;

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

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

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

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

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

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

1 owners holding a majority of the percentage interest in the  
2 association provide for a higher percentage;

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

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

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

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

12 (6) that written notice of any membership meeting shall  
13 be mailed or delivered giving members no less than 10 and  
14 no more than 30 days notice of the time, place and purpose  
15 of such meeting;

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

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

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

10 (9) (A) that unless the Articles of Incorporation or the  
11 bylaws otherwise provide, and except as provided in  
12 subparagraph (B) of this paragraph (9) in connection with  
13 board elections, a unit owner may vote by proxy executed in  
14 writing by the unit owner or by his duly authorized  
15 attorney in fact; that the proxy must bear the date of  
16 execution and, unless the condominium instruments or the  
17 written proxy itself provide otherwise, is invalid after 11  
18 months from the date of its execution;

19 (B) that if a rule adopted at least 120 days before a  
20 board election or the declaration or bylaws provide for  
21 balloting as set forth in this subsection, unit owners may  
22 not vote by proxy in board elections, but may vote only (i)  
23 by submitting an association-issued ballot in person at the  
24 election meeting or (ii) by submitting an  
25 association-issued ballot to the association or its  
26 designated agent by mail or other means of delivery

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

21 (C) that if a written petition by unit owners with at  
22 least 20% of the votes of the association is delivered to  
23 the board within 14 days after the board's approval of a  
24 rule adopted pursuant to subparagraph (B) of this paragraph  
25 (9), the board shall call a meeting of the unit owners  
26 within 30 days after the date of delivery of the petition;

1           that unless a majority of the total votes of the unit  
2           owners are cast at the meeting to reject the rule, the rule  
3           is ratified;

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

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



1           serve on the board. Satisfactory evidence of the  
2           installment contact shall be made available to the  
3           association or its agents. For purposes of this subsection,  
4           "installment contact" shall have the same meaning as set  
5           forth in Section 1 (e) of "An Act relating to installment  
6           contracts to sell dwelling structures", approved August  
7           11, 1967, as amended;

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

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

17               (i) merger or consolidation of the association;

18               (ii) sale, lease, exchange, or other disposition  
19               (excluding the mortgage or pledge) of all, or  
20               substantially all of the property and assets of the  
21               association; and

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

24          (c) Election of a president from among the board of  
25          managers, who shall preside over the meetings of the board of  
26          managers and of the unit owners.

1           (d) Election of a secretary from among the board of  
2 managers, who shall keep the minutes of all meetings of the  
3 board of managers and of the unit owners and who shall, in  
4 general, perform all the duties incident to the office of  
5 secretary.

6           (e) Election of a treasurer from among the board of  
7 managers, who shall keep the financial records and books of  
8 account.

9           (f) Maintenance, repair and replacement of the common  
10 elements and payments therefor, including the method of  
11 approving payment vouchers.

12           (g) An association with 30 or more units shall obtain and  
13 maintain fidelity insurance covering persons who control or  
14 disburse funds of the association for the maximum amount of  
15 coverage available to protect funds in the custody or control  
16 of the association plus the association reserve fund. All  
17 management companies which are responsible for the funds held  
18 or administered by the association shall maintain and furnish  
19 to the association a fidelity bond for the maximum amount of  
20 coverage available to protect funds in the custody of the  
21 management company at any time. The association shall bear the  
22 cost of the fidelity insurance and fidelity bond, unless  
23 otherwise provided by contract between the association and a  
24 management company. The association shall be the direct obligee  
25 of any such fidelity bond. A management company holding reserve  
26 funds of an association shall at all times maintain a separate

1 account for each association, provided, however, that for  
2 investment purposes, the Board of Managers of an association  
3 may authorize a management company to maintain the  
4 association's reserve funds in a single interest bearing  
5 account with similar funds of other associations. The  
6 management company shall at all times maintain records  
7 identifying all moneys of each association in such investment  
8 account. The management company may hold all operating funds of  
9 associations which it manages in a single operating account but  
10 shall at all times maintain records identifying all moneys of  
11 each association in such operating account. Such operating and  
12 reserve funds held by the management company for the  
13 association shall not be subject to attachment by any creditor  
14 of the management company.

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

1 custody of the association, and the directors and officers  
2 liability coverage at a level as shall be determined to be  
3 reasonable by the board of managers, if not otherwise  
4 established by the declaration or by laws.

5 Until one year after the effective date of this amendatory  
6 Act of 1985, if a condominium association has reserves plus  
7 assessments in excess of \$250,000 and cannot reasonably obtain  
8 100% fidelity bond coverage for such amount, then it must  
9 obtain a fidelity bond coverage of \$250,000.

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

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

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

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

1           (1) Method of adopting and of amending administrative rules  
2 and regulations governing the operation and use of the common  
3 elements.

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

7           (n) (i) The provisions of this Act, the declaration,  
8 bylaws, other condominium instruments, and rules and  
9 regulations that relate to the use of the individual unit or  
10 the common elements shall be applicable to any person leasing a  
11 unit and shall be deemed to be incorporated in any lease  
12 executed or renewed on or after the effective date of this  
13 amendatory Act of 1984. (ii) With regard to any lease entered  
14 into subsequent to the effective date of this amendatory Act of  
15 1989, the unit owner leasing the unit shall deliver a copy of  
16 the signed lease to the board or if the lease is oral, a  
17 memorandum of the lease, not later than the date of occupancy  
18 or 10 days after the lease is signed, whichever occurs first.  
19 In addition to any other remedies, by filing an action jointly  
20 against the tenant and the unit owner, an association may seek  
21 to enjoin a tenant from occupying a unit or seek to evict a  
22 tenant under the provisions of Article IX of the Code of Civil  
23 Procedure for failure of the lessor-owner to comply with the  
24 leasing requirements prescribed by this Section or by the  
25 declaration, bylaws, and rules and regulations. The board of  
26 managers may proceed directly against a tenant, at law or in

1 equity, or under the provisions of Article IX of the Code of  
2 Civil Procedure, for any other breach by tenant of any  
3 covenants, rules, regulations or bylaws.

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

6 (p) That when 30% or fewer of the units, by number, possess  
7 over 50% in the aggregate of the votes in the association, any  
8 percentage vote of members specified herein or in the  
9 condominium instruments shall require the specified percentage  
10 by number of units rather than by percentage of interest in the  
11 common elements allocated to units that would otherwise be  
12 applicable. For purposes of this subsection (p), when making a  
13 determination of whether 30% or fewer of the units, by number,  
14 possess over 50% in the aggregate of the votes in the  
15 association, a unit shall not include a garage unit or a  
16 storage unit.

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

23 The provisions of this Section are applicable to all  
24 condominium instruments recorded under this Act. Any portion of  
25 a condominium instrument which contains provisions contrary to  
26 these provisions shall be void as against public policy and

1 ineffective. Any such instrument which fails to contain the  
2 provisions required by this Section shall be deemed to  
3 incorporate such provisions by operation of law.

4 (Source: P.A. 95-624, eff. 6-1-08.)

5 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

6 Sec. 18.4. Powers and Duties of Board of Managers. The  
7 board of managers shall exercise for the association all  
8 powers, duties and authority vested in the association by law  
9 or the condominium instruments except for such powers, duties  
10 and authority reserved by law to the members of the  
11 association. The powers and duties of the board of managers  
12 shall include, but shall not be limited to, the following:

13 (a) To provide for the operation, care, upkeep,  
14 maintenance, replacement and improvement of the common  
15 elements. Nothing in this subsection (a) shall be deemed to  
16 invalidate any provision in a condominium instrument  
17 placing limits on expenditures for the common elements,  
18 provided, that such limits shall not be applicable to  
19 expenditures for repair, replacement, or restoration of  
20 existing portions of the common elements. The term "repair,  
21 replacement or restoration" means expenditures to  
22 deteriorated or damaged portions of the property related to  
23 the existing decorating, facilities, or structural or  
24 mechanical components, interior or exterior surfaces, or  
25 energy systems and equipment with the functional

1 equivalent of the original portions of such areas.  
2 Replacement of the common elements may result in an  
3 improvement over the original quality of such elements or  
4 facilities; provided that, unless the improvement is  
5 mandated by law or is an emergency as defined in item (iv)  
6 of subparagraph (8) of paragraph (a) of Section 18, if the  
7 improvement results in a proposed expenditure exceeding 5%  
8 of the annual budget, the board of managers, upon written  
9 petition by unit owners with 20% of the votes of the  
10 association delivered to the board within 14 days of the  
11 board action to approve the expenditure, shall call a  
12 meeting of the unit owners within 30 days of the date of  
13 delivery of the petition to consider the expenditure.  
14 Unless a majority of the total votes of the unit owners are  
15 cast at the meeting to reject the expenditure, it is  
16 ratified.

17 (b) To prepare, adopt and distribute the annual budget  
18 for the property.

19 (c) To levy and expend assessments.

20 (d) To collect assessments from unit owners.

21 (e) To provide for the employment and dismissal of the  
22 personnel necessary or advisable for the maintenance and  
23 operation of the common elements.

24 (f) To obtain adequate and appropriate kinds of  
25 insurance.

26 (g) To own, convey, encumber, lease, and otherwise deal



1 with units conveyed to or purchased by it.

2 (h) To adopt and amend rules and regulations covering  
3 the details of the operation and use of the property, after  
4 a meeting of the unit owners called for the specific  
5 purpose of discussing the proposed rules and regulations.  
6 Notice of the meeting shall contain the full text of the  
7 proposed rules and regulations, and the meeting shall  
8 conform to the requirements of Section 18(b) of this Act,  
9 except that no quorum is required at the meeting of the  
10 unit owners unless the declaration, bylaws or other  
11 condominium instrument expressly provides to the contrary.  
12 However, no rule or regulation may impair any rights  
13 guaranteed by the First Amendment to the Constitution of  
14 the United States or Section 4 of Article I of the Illinois  
15 Constitution including, but not limited to, the free  
16 exercise of religion, nor may any rules or regulations  
17 conflict with the provisions of this Act or the condominium  
18 instruments. No rule or regulation shall prohibit any  
19 reasonable accommodation for religious practices,  
20 including the attachment of religiously mandated objects  
21 to the front-door area of a condominium unit.

22 (i) To keep detailed, accurate records of the receipts  
23 and expenditures affecting the use and operation of the  
24 property.

25 (j) To have access to each unit from time to time as  
26 may be necessary for the maintenance, repair or replacement

1 of any common elements or for making emergency repairs  
2 necessary to prevent damage to the common elements or to  
3 other units.

4 (k) To pay real property taxes, special assessments,  
5 and any other special taxes or charges of the State of  
6 Illinois or of any political subdivision thereof, or other  
7 lawful taxing or assessing body, which are authorized by  
8 law to be assessed and levied upon the real property of the  
9 condominium.

10 (l) To impose charges for late payment of a unit  
11 owner's proportionate share of the common expenses, or any  
12 other expenses lawfully agreed upon, and after notice and  
13 an opportunity to be heard, to levy reasonable fines for  
14 violation of the declaration, by-laws, and rules and  
15 regulations of the association.

16 (m) Unless the condominium instruments expressly  
17 provide to the contrary, by a majority vote of the entire  
18 board of managers, to assign the right of the association  
19 to future income from common expenses or other sources, and  
20 to mortgage or pledge substantially all of the remaining  
21 assets of the association.

22 (n) To record the dedication of a portion of the common  
23 elements to a public body for use as, or in connection  
24 with, a street or utility where authorized by the unit  
25 owners under the provisions of Section 14.2.

26 (o) To record the granting of an easement for the

1 laying of cable television cable where authorized by the  
2 unit owners under the provisions of Section 14.3; to  
3 obtain, if available and determined by the board to be in  
4 the best interests of the association, cable television  
5 service for all of the units of the condominium on a bulk  
6 identical service and equal cost per unit basis; and to  
7 assess and recover the expense as a common expense and, if  
8 so determined by the board, to assess each and every unit  
9 on the same equal cost per unit basis.

10 (p) To seek relief on behalf of all unit owners when  
11 authorized pursuant to subsection (c) of Section 10 from or  
12 in connection with the assessment or levying of real  
13 property taxes, special assessments, and any other special  
14 taxes or changes of the State of Illinois or of any  
15 political subdivision thereof or of any lawful taxing or  
16 assessing body.

17 (q) To reasonably accommodate the needs of a  
18 handicapped unit owner as required by the federal Civil  
19 Rights Act of 1968, the Human Rights Act and any applicable  
20 local ordinances in the exercise of its powers with respect  
21 to the use of common elements or approval of modifications  
22 in an individual unit.

23 (r) To accept service of a notice of claim for purposes  
24 of the Mechanics Lien Act on behalf of each respective  
25 member of the Unit Owners' Association with respect to  
26 improvements performed pursuant to any contract entered

1 into by the Board of Managers or any contract entered into  
2 prior to the recording of the condominium declaration  
3 pursuant to this Act, for a property containing more than 8  
4 units, and to distribute the notice to the unit owners  
5 within 7 days of the acceptance of the service by the Board  
6 of Managers. The service shall be effective as if each  
7 individual unit owner had been served individually with  
8 notice.

9 (s) In the event that a unit owner prevails in an  
10 action brought to enforce the Act or the condominium  
11 instruments, rules, or regulations against the board of  
12 managers, by clear and convincing evidence, that the  
13 wrongful act or omission by the board or members of the  
14 board which formed the basis of the action was wrongful,  
15 willful and wanton, and without any legal justification  
16 either in law or fact, then the unit owner is entitled to  
17 recover damages against the board or members of the board  
18 thereof personally, and those damages shall not be less  
19 than \$1,000 per defendant and those damages shall be  
20 trebled by the court, plus the unit owner's reasonable  
21 attorney's fees and court costs; provided that at least 60  
22 days prior to filing the action, the unit owner gave  
23 written notice to the board or members of the board  
24 specifying the nature and factual basis of the claim; and  
25 provided further that the unit owner shall have obtained a  
26 written opinion from an attorney licensed to practice in

1       Illinois that the unit owner has a colorable claim based on  
2       the facts alleged in the unit owner's notice to the board  
3       or members of the board.

4       In the performance of their duties, the officers and  
5       members of the board, whether appointed by the developer or  
6       elected by the unit owners, shall exercise the care required of  
7       a fiduciary of the unit owners.

8       The collection of assessments from unit owners by an  
9       association, board of managers or their duly authorized agents  
10      shall not be considered acts constituting a collection agency  
11      for purposes of the Collection Agency Act.

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

19      (Source: P.A. 94-384, eff. 1-1-06; 94-729, eff. 1-1-07.)

20           (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

21           Sec. 18.5. Master Associations.

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

1 association that exercises those or other powers on behalf of  
2 one or more condominiums, or for the benefit of the unit owners  
3 of one or more condominiums, such corporation or association  
4 shall be a master association.

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

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

13 (c) Meetings and finances.

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

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

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

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

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

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

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

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

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

1 the board may prescribe reasonable rules and regulations to  
2 govern the right to make such recordings. Notice of meetings  
3 shall be mailed or delivered at least 48 hours prior thereto,  
4 unless a written waiver of such notice is signed by the persons  
5 entitled to notice before the meeting is convened. Copies of  
6 notices of meetings of the board of the master association  
7 shall be posted in entranceways, elevators, or other  
8 conspicuous places in the condominium at least 48 hours prior  
9 to the meeting of the board of the master association. Where  
10 there is no common entranceway for 7 or more units, the board  
11 of the master association may designate one or more locations  
12 in 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 contract for purchase shall, during such  
19 times as he or she resides in the unit, be counted toward a  
20 quorum for purposes of election of members of the board of  
21 directors at any meeting of the unit owners called for  
22 purposes of electing members of the board, and shall have  
23 the right to vote for the election of members of the board  
24 of directors and to be elected to and serve on the board of  
25 directors unless the seller expressly retains in writing  
26 any or all of those rights. In no event may the seller and



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

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

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

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

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

8 (d) Records.

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

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

25 (ii) Detailed and accurate records in  
26 chronological order of the receipts and expenditures

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

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

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

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

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

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

1           within 30 days shall be deemed a denial by the board of  
2           directors.

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

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

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

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

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

26                 (2) The election of the initial board of directors of a

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

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

26 (4) Within 60 days following the election of a majority

1 of the board of directors, other than the developer, by  
2 unit owners, the developer shall deliver to the board of  
3 directors:

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

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

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

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

1 and equipment, deeds, title insurance policies, and  
2 all tax bills.

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

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

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



1 cancellation.

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

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

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

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

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

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

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

26 (6) A statement of the status of any pending suits or

1 judgments in which the association is a party.

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

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

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

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

17 (h) Errors and omissions.

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

1 declaration of the master association specifically  
2 provides for greater percentages or different procedures.

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

26 (3) If an omission or error or a scrivener's error in

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

26 (4) The procedures for amendments set forth in this

1 subsection (h) cannot be used if such an amendment would  
2 materially or adversely affect property rights of the unit  
3 owners unless the affected unit owners consent in writing.  
4 This Section does not restrict the powers of the  
5 association to otherwise amend the declaration, bylaws, or  
6 other condominium instruments, but authorizes a simple  
7 process of amendment requiring a lesser vote for the  
8 purpose of correcting defects, errors, or omissions when  
9 the property rights of the unit owners are not materially  
10 or adversely affected.

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

1 mail, return receipt requested, at their last known  
2 address.

3 (6) Nothing contained in this Section shall be  
4 construed to invalidate any provision of a declaration  
5 authorizing the developer to amend an instrument prior to  
6 the latest date on which the initial membership meeting of  
7 the unit owners must be held, whether or not it has  
8 actually been held, to bring the instrument into compliance  
9 with the legal requirements of the Federal National  
10 Mortgage Association, the Federal Home Loan Mortgage  
11 Corporation, the Federal Housing Administration, the  
12 United States Veterans Administration or their respective  
13 successors and assigns.

14 (h-5) After filing an action to foreclosure its lien on a  
15 unit in a common interest community, the mortgagee shall be  
16 responsible for all assessments with regard to that unit  
17 accruing from and after the first day of the month after the  
18 filing of the action up to the date of the judicial foreclosure  
19 sale and, unless the purchaser at the judicial foreclosure sale  
20 is a person other than the mortgagee, the mortgagee's  
21 responsibility for assessments shall continue until title to  
22 the unit is transferred.

23 (i) The provisions of subsections (c) through (h) are  
24 applicable to all declarations, other condominium instruments,  
25 and other duly recorded covenants establishing the powers and  
26 duties of the master association recorded under this Act. Any

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

11 (j) The provisions of subsections (c) through (h) and (h-5)  
12 are applicable to all common interest community associations  
13 and their unit owners for common interest community  
14 associations which are subject to the provisions of Section  
15 9-102(a)(8) of the Code of Civil Procedure. For purposes of  
16 this subsection, the terms "common interest community" and  
17 "unit owners" shall have the same meaning as set forth in  
18 Section 9-102(c) of the Code of Civil Procedure.

19 (Source: P.A. 94-384, eff. 1-1-06.)

20 (765 ILCS 605/22) (from Ch. 30, par. 322)

21 Sec. 22. Full disclosure before sale. In relation to the  
22 initial sale or offering for sale of any condominium unit, the  
23 seller must make full disclosure of, and provide copies to the  
24 prospective buyer of, the following information relative to the  
25 condominium project:

1 (a) the Declaration;

2 (b) the Bylaws of the association;

3 (c) a projected operating budget for the condominium unit  
4 to be sold to the prospective buyer, including full details  
5 concerning the estimated monthly payments for the condominium  
6 unit, estimated monthly charges for maintenance or management  
7 of the condominium property, and monthly charges for the use of  
8 recreational facilities; and

9 (d) a floor plan of the unit ~~apartment~~ to be purchased by  
10 the prospective buyer and the street address of the unit, if  
11 any, and if the unit has no unique street address, the street  
12 address of the project.

13 (e) in addition, any developer of a conversion condominium  
14 shall include the following information:

15 (1) A specific statement of the amount of any initial  
16 or special condominium fee due from the purchaser on or  
17 before settlement of the purchase contract and the basis of  
18 such fee;

19 (2) Information, if available, on the actual  
20 expenditures made on all repairs, maintenance, operation,  
21 or upkeep of the subject building or buildings within the  
22 last 2 years, set forth tabularly with the proposed budget  
23 of the condominium and cumulatively, broken down on a per  
24 unit basis in proportion to the relative voting strengths  
25 allocated to the units by the bylaws. If such building or  
26 buildings have not been occupied for a period of 3 years



1           then the information shall be set forth for the last 2 year  
2           period such building or buildings have been occupied;

3           (3) A description of any provisions made in the budget for  
4           reserves for capital expenditures and an explanation of the  
5           basis for such reserves, or, if no provision is made for  
6           such reserves, a statement to that effect;

7           For developments of more than 6 units for which the  
8           notice of intent to convert is issued after the effective  
9           date of this amendatory Act of 1979, an engineer's report  
10          furnished by the developer as to the present condition of  
11          all structural components and major utility installations  
12          in the condominium, which statement shall include the  
13          approximate dates of construction, installation, major  
14          repairs and the expected useful life of such items,  
15          together with the estimated cost (in current dollars) of  
16          replacing such items; and

17          (5) Any release, warranty, certificate of insurance,  
18          or surety required by Section 9.1.

19          All of the information required by this Section which is  
20          available at the time shall be furnished to the prospective  
21          buyer before execution of the contract for sale. Thereafter, no  
22          changes or amendments may be made in any of the items furnished  
23          to the prospective buyer which would materially affect the  
24          rights of the buyer or the value of the unit without obtaining  
25          the approval of at least 75% of the buyers then owning interest  
26          in the condominium. If all of the information is not available

1 at the time of execution of the contract for sale, then the  
2 contract shall be voidable at option of the buyer at any time  
3 up until 5 days after the last item of required information is  
4 furnished to the prospective buyer, or until the closing of the  
5 sale, whichever is earlier. Failure on the part of the seller  
6 to make full disclosure as required by this Section shall  
7 entitle the buyer to rescind the contract for sale at any time  
8 before the closing of the contract and to receive a refund of  
9 all deposit moneys paid with interest thereon at the rate then  
10 in effect for interest on judgments.

11 A sale is not an initial sale for the purposes of this  
12 Section if there is not a bona fide transfer of the ownership  
13 and possession of the condominium unit for the purpose of  
14 occupancy of such unit as the result of the sale or if the sale  
15 was entered into for the purpose of avoiding the requirements  
16 of this Section. The buyer in the first bona fide sale of any  
17 condominium unit has the rights granted to buyers under this  
18 Section. If the buyer in any sale of a condominium unit asserts  
19 that such sale is the first bona fide sale of that unit, the  
20 seller has the burden of proving that his interest was acquired  
21 through a bona fide sale.

22 (Source: P.A. 91-616, eff. 8-19-99.)

23 (765 ILCS 605/22.1) (from Ch. 30, par. 322.1)

24 Sec. 22.1. (a) In the event of any resale of a condominium  
25 unit by a unit owner other than the developer such owner shall

1 obtain from the Board of Managers and shall make available for  
2 inspection to the prospective purchaser, upon demand, the  
3 following:

4 (1) A copy of the Declaration, by-laws, other  
5 condominium instruments and any rules and regulations.

6 (2) A statement of any liens, including a statement of  
7 the account of the unit setting forth the amounts of unpaid  
8 assessments and other charges due and owing as authorized  
9 and limited by the provisions of Section 9 of this Act or  
10 the condominium instruments.

11 (3) A statement of any capital expenditures approved by  
12 the association's Board of Managers ~~anticipated by the unit~~  
13 ~~owner's association~~ within the current or succeeding two  
14 fiscal years.

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

18 (5) A copy of the statement of financial condition of  
19 the unit owner's association for the last fiscal year for  
20 which such statement is available.

21 (6) A statement of the status of any pending suits or  
22 judgments in which the unit owner's association is a party.

23 (7) A statement setting forth what insurance coverage  
24 is provided for all unit owners by the unit owner's  
25 association.

26 (8) A statement that any improvements or alterations

1 made to the unit, or the limited common elements assigned  
2 thereto, by the prior unit owner are in good faith believed  
3 to be in compliance with the condominium instruments.

4 (9) The identity and mailing address of the principal  
5 officer of the unit owner's association or of the other  
6 officer or agent as is specifically designated to receive  
7 notices.

8 The Board of Managers or its designated property manager  
9 for the association shall only be required to respond to a  
10 written inquiry from a unit owner for the information required  
11 in paragraphs 1 through 9 of subsection (a) of this Section in  
12 a form substantially similar to the standard form below:

13 "1. Are there any known liens against the Association?

14 If so, please provide details

15 2. Are there any reserves which have been previously  
16 approved by the Board of Managers for specific projects  
17 which are over \$25,000? If so, please provide details.

18 3. Are there any capital expenditures approved by the  
19 Board of Managers for the current or next 2 fiscal years  
20 which will require a special assessment on the owners or an  
21 increase in monthly assessments of more than 15% over the  
22 prior year's monthly assessments? If so, please provide the  
23 amount of the approved capital expenditure or the  
24 percentage increase in monthly assessment for this unit  
25 owner.

26 4. Are there any existing special assessments or loans

1 for capital improvement projects pending against the  
2 subject unit? If so, please provide details.

3 5. Are there any pending lawsuits or unpaid judgments  
4 against the Association? If so, please provide details."

5 All documents or other information required to be disclosed  
6 by this Section and which are available at the time shall be  
7 provided to the unit owner within 30 days after receipt of the  
8 written request.

9 Information shall be disclosed to the parties, other than  
10 the unit owner, only upon written authorization of the unit  
11 owner.

12 (b) The ~~principal officer of the unit owner's association,~~  
13 through its officers or designated property manager, or such  
14 ~~other officer as is specifically designated~~ shall furnish the  
15 above information when requested to do so in writing and within  
16 30 days of the request.

17 (c) Within 15 days of the recording of a mortgage or trust  
18 deed against a unit ownership given by the owner of that unit  
19 to secure a debt, the owner shall provide in writing to inform  
20 the Board of Managers of the unit owner's association, ~~of~~ the  
21 identity of the lender together with a mailing address at which  
22 the lender can receive notices from the association. If a unit  
23 owner fails or refuses to inform the Board as required under  
24 subsection (c) then that unit owner shall be liable to the  
25 association for all costs, expenses and reasonable attorneys  
26 fees and such other damages, if any, incurred by the

1 association as a result of such failure or refusal.

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

6 (Source: P.A. 87-692.)

7 (765 ILCS 605/33 new)

8 Sec. 33. Developer escrow. To provide assurance to unit  
9 owners that the developer will fulfill its obligations to the  
10 association or the unit owners collectively with respect to  
11 common element deficiencies for which the developer is  
12 responsible, the developer shall establish an escrow in an  
13 amount equal to 20% of the aggregate initial sale prices of all  
14 units in the condominium, which escrow shall be kept separate  
15 and apart from the developer's funds or the funds of any other  
16 person and which funds shall be maintained at a federally  
17 insured depository. The escrow shall be maintained for a period  
18 of not less than 2 years after the election of the first unit  
19 owner board as provided in subsection (b) of Section 18.2  
20 unless sooner disbursed to or at the direction of the first  
21 unit owner board.

22 The escrow shall not be deemed to impose any limitation on  
23 the developer's obligation under any warranty or other legal  
24 obligation. This escrow requirement cannot be waived by any  
25 individual unit purchaser or unit owner. A developer who

1 violates this Section shall be subject to an action by the  
2 association, which shall be entitled to recover treble damages  
3 and attorney's fees from the developer and, if the developer is  
4 a trust, corporation, or limited liability entity, the  
5 beneficiaries of the trust, shareholders of the corporation, or  
6 members of the limited liability entity shall be jointly and  
7 severally liable for the damages and fees due to a violation of  
8 this Section.

9 Nothing contained herein shall apply to any municipality  
10 which enacts an ordinance establishing a bond from a developer  
11 to adequately protect against damages to public property.

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.