

AN ACT concerning civil law.

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

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

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

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

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

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

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

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

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

" Installment sales contract " or " contract " means any contract or agreement, including a contract for deed, bond for deed, or any other sale or legal device whereby a seller agrees to sell and the buyer agrees to buy a residential real estate, in which the consideration for the sale is payable in installments for a period of at least one year after the date of sale, and the seller continues to have an interest or security for the purchase price or otherwise in the property.

" Residential real estate " means real estate with a dwelling structure, excluding property that is sold as a part of a tract of land consisting of 4 acres or more zoned for agricultural purposes.

" Seller " means an individual or legal entity that possesses a legal or beneficial interest in real estate and that enters into an installment sales contract more than 3 times during a 12-month period to sell residential real estate. Any individual or legal entity that has a legal or beneficial interest in real estate under the name of more than one legal entity shall be considered the same seller.

Section 10. Terms and conditions of installment sales contracts.

(a) The seller of residential real estate by installment

sales contract shall provide the buyer with a written contract that complies with the requirements set forth in this Section.

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

(c) An installment sales contract for the sale of any residential real estate subject to the contract shall clearly and conspicuously disclose the following:

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

(2) The price of the residential real estate subject to the contract.

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

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

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

(6) The term of the loan expressed in years and months

and the total number of periodic payments due.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(21) A statement defining what, if any, alterations of the property must be approved by both the buyer and the

seller prior to the alterations being made, including requirements to provide evidence of proper permits, insurance, and lien waiver agreements.

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

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

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

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

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

(26) If the residential real estate or any dwelling

structure thereon that is subject to the contract has been condemned by the unit of government having jurisdiction, the contract shall include a statement, in large bold font stating in substantially similar form: "NOTE TO BUYER: THE RESIDENTIAL REAL ESTATE BEING SOLD THROUGH THIS CONTRACT HAS BEEN CONDEMNED BY THE UNIT OF GOVERNMENT HAVING JURISDICTION."

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

(28) A statement that: (i) if the buyer defaults in payment, any action brought against the buyer under the contract shall be initiated only after the expiration of 90 days from the date of the default; and (ii) a buyer in default may, prior to the expiration of the 90-day period, make all payments, fees and charges currently due under the contract to cure the default.

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

Section 15. Applicability of other Acts. An installment sales contract under this Act is subject to the Lead Poisoning

Prevention Act, the Residential Real Property Disclosure Act, the Illinois Radon Awareness Act, and the High Risk Home Loan Act. The remedies available to the buyer pursuant to this Act are cumulative and do not preclude any remedies otherwise available to a buyer at law or in equity.

Section 20. Recording of contract required.

(a) Within 10 business days of the date of sale of any residential real estate subject to an installment sales contract, and prior to any subsequent sale or other transfer of any interest in the residential real estate or contract by the seller, the seller shall record the contract or a memorandum of the contract with the county recorder of deeds. A memorandum of the contract shall be titled "Memorandum of an Installment Sales Contract" either in capital letters or underscored above the body of the memorandum. At a minimum, the memorandum of the contract shall include: the address, permanent index number, and legal description of the residential real estate subject to the contract; the names of the buyer and seller; and the date the contract was executed. The memorandum of the contract shall be signed by the buyer and the seller with the signatures notarized. However, any provision in an installment sales contract that forbids the buyer to record the contract or a memorandum of the contract is void and unenforceable.

(b) If the seller fails to record the contract or the memorandum of the contract as required by subsection (a) of

this Section, the buyer has the right to rescind the contract until such time as the seller records the contract. If the seller fails to record the contract or the memorandum of the contract and title to the property becomes clouded for any reason that may affect the ability of the seller to comply with the terms of the installment sales contract regarding the conveyance of marketable title to the buyer, the buyer has the option to rescind, not just before the seller records, but at any time within 90 days of discovering the title problem.

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

Section 25. Repairs.

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

(b) If the seller deems certain repairs necessary to protect the seller's interest in the property, the seller may, at the seller's own cost, proceed to make the repairs in compliance with this Section. Before the performance of nonemergency repairs on residential real estate inhabited by a buyer, the seller shall provide the buyer with at least 72 hours' written notice of the seller's intent to make the proposed repairs. Nothing in this Section limits the seller's

right to negotiate or secure recovery of the seller's actual cost to make repairs caused due to negligence or malicious damage on the part of the buyer.

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

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

Section 30. Account statements.

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

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

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

(d) For other buyer requests for account statements, the

seller may not charge the buyer more than the reasonable costs of copying and producing the account statement.

Section 35. Insurance proceeds. A buyer or seller who receives payment of insurance proceeds as a result of damage to a dwelling structure shall apply the proceeds to the repair of the damage. However, the buyer and seller may make a fair and reasonable distribution of the insurance proceeds between each of them by a signed written agreement. The written agreement shall not be made until at least 7 days after any award of insurance on a claim has been settled and written notice of the settlement and award has been made by the insurer to both the buyer and seller. There shall be an exception for the application of insurance proceeds to the seller's mortgage balance when required by the terms of the seller's mortgage, with a corresponding credit to the buyer for the amount payable due on the installment sales contract.

Section 40. Right to cure default. If the buyer defaults in payment, any action brought against the buyer under the contract shall be initiated only after the expiration of 90 days from the date of the default. A buyer in default may, prior to the expiration of the 90-day period, make all payments, fees, and charges currently due under the contract to cure the default.

Section 45. Unlawful acts. It is a violation of this Act for either party to make an oral or written misrepresentation to the other party concerning a contract or regarding the rights or duties of either party under this Act or to induce either party to sign incomplete forms, contracts, notices, or written statements relating to the sale of residential real estate.

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

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

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

Section 65. Prohibited contract terms. Any contract term

that would put the buyer in default of the contract for failure to make improvements and repairs to residential real estate for conditions that existed prior to the date of sale is prohibited and unenforceable.

Section 70. Cooling-off period.

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

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

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

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

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

Section 75. Installment sales contract disclosures.

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

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

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

Section 85. Enforcement. Any violation of this Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act.

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

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

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

Sec. 15-1106. Applicability of Article.

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

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

(2) any real estate installment contract for residential real estate entered into on or after July 1, 1987 (the effective date of Public Act 84-1462) ~~this amendatory Act of 1986~~ and under which ~~(i) the purchase price is to be paid in installments over a period in excess~~

~~of five years and (ii)~~ the amount unpaid under the terms of the contract at the time of the filing of the foreclosure complaint, including principal and due and unpaid interest, at the rate prior to default, is less than 80% of the original purchase price of the real estate as stated in the contract;

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

(b) Uniform Commercial Code. A secured party, as defined in Article 9 of the Uniform Commercial Code, may at its election enforce its security interest in a foreclosure under this Article if its security interest was created on or after July 1, 1987 (the effective date of Public Act 84-1462) ~~this amendatory Act of 1986~~ and is created by (i) a collateral assignment of beneficial interest in a land trust or (ii) an assignment for security of a buyer's interest in a real estate

installment contract. Such election shall be made by filing a complaint stating that it is brought under this Article, in which event the provisions of this Article shall be exclusive in such foreclosure.

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

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

(e) Supplementary General Principles of Law. General principles of law and equity, such as those relating to capacity to contract, principal and agent, marshalling of assets, priority, subrogation, estoppel, fraud, misrepresentations, duress, collusion, mistake, bankruptcy or other validating or invalidating cause, supplement this

Article unless displaced by a particular provision of it. Section 9-110 of this ~~the~~ Code ~~of Civil Procedure~~ shall not be applicable to any real estate installment contract which is foreclosed under this Article.

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

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

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

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

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

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

(a) (1) The election from among the unit owners of a

board of managers, the number of persons constituting such board, and that the terms of at least one-third of the members of the board shall expire annually and that all members of the board shall be elected at large; if there are multiple owners of a single unit, only one of the multiple owners shall be eligible to serve as a member of the board at any one time;

(2) the powers and duties of the board;

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

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

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

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

(7) that the board of managers shall annually supply to all unit owners an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts

collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves;

(8) (i) that each unit owner shall receive notice, in the same manner as is provided in this Act for membership meetings, of any meeting of the board of managers concerning the adoption of the proposed annual budget and regular assessments pursuant thereto or to adopt a separate (special) assessment, (ii) that except as provided in subsection (iv) below, if an adopted budget or any separate assessment adopted by the board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year, the board of managers, upon written petition by unit owners with 20 percent of the votes of the association delivered to the board within 14 days of the board action, shall call a meeting of the unit owners within 30 days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the unit owners are cast at the meeting to reject the budget or separate assessment, it is ratified, (iii) that any common expense not set forth in the budget or any increase in assessments over the amount adopted in the budget shall be separately assessed against all unit owners, (iv) that separate assessments for expenditures

relating to emergencies or mandated by law may be adopted by the board of managers without being subject to unit owner approval or the provisions of item (ii) above or item (v) below. As used herein, "emergency" means an immediate danger to the structural integrity of the common elements or to the life, health, safety or property of the unit owners, (v) that assessments for additions and alterations to the common elements or to association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of two-thirds of the total votes of all unit owners, (vi) that the board of managers may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments not governed by items (iv) and (v), the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved;

(9) (A) that every meeting of the board of managers shall be open to any unit owner, except that the board may close any portion of a noticed meeting or meet separately from a noticed meeting to: (i) discuss litigation when an action against or on behalf of the particular association has been filed and is pending in a court or administrative tribunal, or when the board of managers finds that such an action is probable or imminent, (ii) discuss the appointment, employment, engagement, or dismissal of an

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

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

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

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

and

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

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

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

(12) the designation of an officer to mail and receive all notices and execute amendments to condominium

instruments as provided for in this Act and in the condominium instruments;

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

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

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

(16) the board of managers may not enter into a contract with a current board member or with a corporation or partnership in which a board member or a member of the board member's immediate family has 25% or more interest, unless notice of intent to enter the contract is given to

unit owners within 20 days after a decision is made to enter into the contract and the unit owners are afforded an opportunity by filing a petition, signed by 20% of the unit owners, for an election to approve or disapprove the contract; such petition shall be filed within 20 days after such notice and such election shall be held within 30 days after filing the petition; for purposes of this subsection, a board member's immediate family means the board member's spouse, parents, and children;

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

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

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

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

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

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

(b) (1) What percentage of the unit owners, if other than 20%, shall constitute a quorum provided that, for condominiums with 20 or more units, the percentage of unit owners constituting a quorum shall be 20% unless the unit owners holding a majority of the percentage interest in the association provide for a higher percentage, provided that in voting on amendments to the association's bylaws, a unit owner who is in arrears on the unit owner's regular or separate assessments for 60 days or more, shall not be counted for purposes of determining if a quorum is present,

but that unit owner retains the right to vote on amendments to the association's bylaws;

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

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

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

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

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

(7) that voting shall be on a percentage basis, and that the percentage vote to which each unit is entitled is the percentage interest of the undivided ownership of the common elements appurtenant thereto, provided that the bylaws may provide for approval by unit owners in

connection with matters where the requisite approval on a percentage basis is not specified in this Act, on the basis of one vote per unit;

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

(9) (A) except as provided in subparagraph (B) of this paragraph (9) in connection with board elections, that a unit owner may vote by proxy executed in writing by the unit owner or by his duly authorized attorney in fact; that the proxy must bear the date of execution and, unless the condominium instruments or the written proxy itself provide otherwise, is invalid after 11 months from the date of its execution; to the extent the condominium instruments or rules adopted thereunder expressly so provide, a vote or proxy may be submitted by electronic transmission, provided that any such electronic transmission shall

either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the unit owner or the unit owner's proxy;

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

owner who submits a ballot by mail or other means of delivery specified in the declaration, bylaws, or rule may request and cast a ballot in person at the election meeting, and thereby void any ballot previously submitted by that unit owner;

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

appear on the ballot; a unit owner who submits a vote using electronic or acceptable technological means may request and cast a ballot in person at the election meeting, thereby voiding any vote previously submitted by that unit owner;

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

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

(10) that the association may, upon adoption of the appropriate rules by the board of managers, conduct elections by secret ballot whereby the voting ballot is marked only with the percentage interest for the unit and the vote itself, provided that the board further adopt rules to verify the status of the unit owner issuing a proxy or casting a ballot; and further, that a candidate for election to the board of managers or such candidate's

representative shall have the right to be present at the counting of ballots at such election;

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

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

purposes; and

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

(i) merger or consolidation of the association;

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

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

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

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

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

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

(g) An association with 30 or more units shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the association for the maximum amount of coverage available to protect funds in the custody or control of the association plus the association reserve fund. All management companies which are responsible for the funds held or administered by the association shall maintain and furnish to the association a fidelity bond for the maximum amount of coverage available to protect funds in the custody of the management company at any time. The association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the association and a management company. The association shall be the direct obligee of any such fidelity bond. A management company holding reserve funds of an association shall at all times maintain a separate account for each association, provided, however, that for investment purposes, the Board of Managers of an association may authorize a management company to maintain the association's reserve funds in a single interest bearing account with similar funds of other associations. The management company shall at all times maintain records identifying all moneys of each association in such investment account. The management company may hold all operating funds of associations which it manages in a single operating account but shall at all

times maintain records identifying all moneys of each association in such operating account. Such operating and reserve funds held by the management company for the association shall not be subject to attachment by any creditor of the management company.

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

Until one year after September 21, 1985 (the effective date of Public Act 84-722), if a condominium association has reserves plus assessments in excess of \$250,000 and cannot reasonably obtain 100% fidelity bond coverage for

such amount, then it must obtain a fidelity bond coverage of \$250,000.

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

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

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

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

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

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

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

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

(o) The association shall have no authority to forbear

the payment of assessments by any unit owner.

(p) That when 30% or fewer of the units, by number, possess over 50% in the aggregate of the votes in the association, any percentage vote of members specified herein or in the condominium instruments shall require the specified percentage by number of units rather than by percentage of interest in the common elements allocated to units that would otherwise be applicable and garage units or storage units, or both, shall have, in total, no more votes than their aggregate percentage of ownership in the common elements; this shall mean that if garage units or storage units, or both, are to be given a vote, or portion of a vote, that the association must add the total number of votes cast of garage units, storage units, or both, and divide the total by the number of garage units, storage units, or both, and multiply by the aggregate percentage of ownership of garage units and storage units to determine the vote, or portion of a vote, that garage units or storage units, or both, have. For purposes of this subsection (p), when making a determination of whether 30% or fewer of the units, by number, possess over 50% in the aggregate of the votes in the association, a unit shall not include a garage unit or a storage unit.

(q) That a unit owner may not assign, delegate, transfer, surrender, or avoid the duties, responsibilities, and liabilities of a unit owner under

this Act, the condominium instruments, or the rules and regulations of the Association; and that such an attempted assignment, delegation, transfer, surrender, or avoidance shall be deemed void.

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

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

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

Sec. 18.5. Master Associations.

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

(b) There shall be included in the declaration, other condominium instruments, or other duly recorded covenants

establishing the powers and duties of the master association the provisions set forth in subsections (c) through (h).

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

(c) Meetings and finances.

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

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

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

establishment of an assessment.

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

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

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

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

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

Any unit owner may record the proceedings at meetings required to be open by this Act by tape, film or other means; the board may prescribe reasonable rules and regulations to govern the right to make such recordings. Notice of meetings shall be mailed or delivered at least 48 hours prior thereto, unless a written waiver of such notice is signed by the persons entitled to notice before the meeting is convened. Copies of notices of meetings of the

board of the master association shall be posted in entranceways, elevators, or other conspicuous places in the condominium at least 48 hours prior to the meeting of the board of the master association. Where there is no common entranceway for 7 or more units, the board of the master association may designate one or more locations in the proximity of these units where the notices of meetings shall be posted.

(5) If the declaration provides for election by unit owners of members of the board of directors in the event of a resale of a unit in the master association, the purchaser of a unit from a seller other than the developer pursuant to an installment sales contract for purchase shall, during such times as he or she resides in the unit, be counted toward a quorum for purposes of election of members of the board of directors at any meeting of the unit owners called for purposes of electing members of the board, and shall have the right to vote for the election of members of the board of directors and to be elected to and serve on the board of directors unless the seller expressly retains in writing any or all of those rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office, or be elected and serve on the board. Satisfactory evidence of the installment sales contract shall be made available to the association or its agents. For purposes of this subsection,

"installment sales contract" shall have the same meaning as set forth in Section 5 of the Installment Sales Contract Act and subsection (e) of Section 1 of the Dwelling Unit Installment Contract Act.

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

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

(8) Other than attorney's fees, no fees pertaining to the collection of a unit owner's financial obligation to the Association, including fees charged by a manager or managing agent, shall be added to and deemed a part of an owner's respective share of the common expenses unless: (i) the managing agent fees relate to the costs to collect common expenses for the Association; (ii) the fees are set forth in a contract between the managing agent and the Association; and (iii) the authority to add the management

fees to an owner's respective share of the common expenses is specifically stated in the declaration or bylaws of the Association.

(d) Records.

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

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

(ii) Detailed and accurate records in chronological order of the receipts and expenditures affecting the common areas, specifying and itemizing the maintenance and repair expenses of the common areas and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by

the master association, shall be maintained.

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

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

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

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

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

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

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

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

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

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

(2) The election of the initial board of directors of a master association whose declaration is recorded on or after August 10, 1990, by the unit owners or the boards of managers of the underlying condominium associations, shall be held not later than 60 days after the conveyance by the

developer of 75% of the units, or 3 years after the recording of the declaration, whichever is earlier. The developer shall give at least 21 days notice of the meeting to elect the initial board of directors and shall upon request provide to any unit owner, within 3 working days of the request, the names, addresses, and weighted vote of each unit owner entitled to vote at the meeting. Any unit owner shall upon receipt of the request be provided with the same information, within 10 days of the request, with respect to each subsequent meeting to elect members of the board of directors.

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

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

(i) All original documents as recorded or filed

pertaining to the property, its administration, and the association, such as the declaration, articles of incorporation, other instruments, annual reports, minutes, rules and regulations, and contracts, leases, or other agreements entered into by the association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the developer, or an officer or agent of the developer, as being a complete copy of the actual document recorded or filed.

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

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

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

(v) A list of all litigation, administrative action and arbitrations involving the association, any

notices of governmental bodies involving actions taken or which may be taken concerning the association, engineering and architectural drawings and specifications as approved by any governmental authority, all other documents filed with any other governmental authority, all governmental certificates, correspondence involving enforcement of any association requirements, copies of any documents relating to disputes involving unit owners, and originals of all documents relating to everything listed in this subparagraph.

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

(5) With respect to any master association whose declaration is recorded on or after August 10, 1990, any contract, lease, or other agreement made prior to the election of a majority of the board of directors other than

the developer by or on behalf of unit owners or underlying condominium associations, the association or the board of directors, which extends for a period of more than 2 years from the recording of the declaration, shall be subject to cancellation by more than 1/2 of the votes of the unit owners, other than the developer, cast at a special meeting of members called for that purpose during a period of 90 days prior to the expiration of the 2 year period if the board of managers is elected by the unit owners, otherwise by more than 1/2 of the underlying condominium board of managers. At least 60 days prior to the expiration of the 2 year period, the board of directors, or, if the board is still under developer control, then the board of managers or the developer shall send notice to every unit owner or underlying condominium board of managers, notifying them of this provision, of what contracts, leases and other agreements are affected, and of the procedure for calling a meeting of the unit owners or for action by the underlying condominium board of managers for the purpose of acting to terminate such contracts, leases or other agreements. During the 90 day period the other party to the contract, lease, or other agreement shall also have the right of cancellation.

(6) The statute of limitations for any actions in law or equity which the master association may bring shall not begin to run until the unit owners or underlying

condominium board of managers have elected a majority of the members of the board of directors.

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

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

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

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

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

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

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

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

(8) A statement that any improvements or alterations

made to the unit, or any part of the common areas assigned thereto, by the prior unit owner are in good faith believed to be in compliance with the declaration of the master association.

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

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

(g-1) The purchaser of a unit of a common interest community at a judicial foreclosure sale, other than a mortgagee, who takes possession of a unit of a common interest community pursuant to a court order or a purchaser who acquires title from a mortgagee shall have the duty to pay the proportionate share, if any, of the common expenses for the unit that would have become due in the absence of any assessment acceleration during the 6 months immediately preceding institution of an action to enforce the collection of assessments and the court costs incurred by the association in an action to enforce the collection that remain unpaid by the owner during whose possession the assessments accrued. If the outstanding assessments and the court costs incurred by the association in an action to enforce the collection are paid at

any time during any action to enforce the collection of assessments, the purchaser shall have no obligation to pay any assessments that accrued before he or she acquired title. The notice of sale of a unit of a common interest community under subsection (c) of Section 15-1507 of the Code of Civil Procedure shall state that the purchaser of the unit other than a mortgagee shall pay the assessments and court costs required by this subsection (g-1).

(h) Errors and omissions.

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

(2) If, through a scrivener's error, a unit has not been designated as owning an appropriate undivided share of the common areas or does not bear an appropriate share of the common expenses, or if all of the common expenses or all of the common elements in the condominium have not been distributed in the declaration, so that the sum total of

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

(3) If an omission or error or a scrivener's error in the declaration or other instrument is corrected by vote of two-thirds of the members of the board of directors pursuant to the authority established in subdivisions (h)(1) or (h)(2) of this Section, the board, upon written petition by unit owners with 20% of the votes of the association or resolutions adopted by the board of managers or board of directors of the condominium and common interest community associations which select 20% of the

members of the board of directors of the master association, whichever is applicable, received within 30 days of the board action, shall call a meeting of the unit owners or the boards of the condominium and common interest community associations which select members of the board of directors of the master association within 30 days of the filing of the petition or receipt of the condominium and common interest community association resolution to consider the board action. Unless a majority of the votes of the unit owners of the association are cast at the meeting to reject the action, or board of managers or board of directors of condominium and common interest community associations which select over 50% of the members of the board of the master association adopt resolutions prior to the meeting rejecting the action of the board of directors of the master association, it is ratified whether or not a quorum is present.

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

the property rights of the unit owners are not materially or adversely affected.

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

(6) Nothing contained in this Section shall be construed to invalidate any provision of a declaration authorizing the developer to amend an instrument prior to the latest date on which the initial membership meeting of the unit owners must be held, whether or not it has actually been held, to bring the instrument into compliance

with the legal requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Veterans Administration or their respective successors and assigns.

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

(j) (Blank).

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

Section 915. The Consumer Fraud and Deceptive Business Practices Act is amended by changing Section 2Z as follows:

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

Sec. 2Z. Violations of other Acts. Any person who knowingly violates the Automotive Repair Act, the Automotive Collision Repair Act, the Home Repair and Remodeling Act, the Dance Studio Act, the Physical Fitness Services Act, the Hearing Instrument Consumer Protection Act, the Illinois Union Label Act, the Installment Sales Contract Act, the Job Referral and Job Listing Services Consumer Protection Act, the Travel Promotion Consumer Protection Act, the Credit Services Organizations Act, the Automatic Telephone Dialers Act, the Pay-Per-Call Services Consumer Protection Act, the Telephone Solicitations Act, the Illinois Funeral or Burial Funds Act, the Cemetery Oversight Act, the Cemetery Care Act, the Safe and Hygienic Bed Act, the Pre-Need Cemetery Sales Act, the High Risk Home Loan Act, the Payday Loan Reform Act, the Mortgage Rescue Fraud Act, subsection (a) or (b) of Section 3-10 of the Cigarette Tax Act, subsection (a) or (b) of Section 3-10 of the Cigarette Use Tax Act, the Electronic Mail Act, the Internet Caller Identification Act, paragraph (6) of subsection (k) of Section 6-305 of the Illinois Vehicle Code, Section 11-1431, 18d-115, 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the Illinois Vehicle Code, Article 3 of the Residential Real Property Disclosure Act, the Automatic Contract Renewal Act, the Reverse Mortgage Act, Section 25 of the Youth Mental Health Protection Act, or the Personal Information Protection Act commits an unlawful practice within the meaning of this Act.

Public Act 100-0416

SB0885 Enrolled

LRB100 05980 HEP 16008 b

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

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