

1 AN ACT concerning civil law.

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

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

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

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

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

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

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

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

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

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

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

16 "Seller" means an individual or legal entity that possesses
17 a legal or beneficial interest in real estate and that enters
18 into an installment sales contract more than 3 times during a
19 12-month period to sell residential real estate. Any individual
20 or legal entity that has a legal or beneficial interest in real
21 estate under the name of more than one legal entity shall be
22 considered the same seller.

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

25 (a) The seller of residential real estate by installment

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

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

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

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

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

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

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

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

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

1 and the total number of periodic payments due.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (26) If the residential real estate or any dwelling

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

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

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

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

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

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

6 Section 20. Recording of contract required.

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

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

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

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

14 Section 25. Repairs.

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

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

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

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

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

13 Section 30. Account statements.

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

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

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

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

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

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

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

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

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

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

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

22 Section 65. Prohibited contract terms. Any contract term

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

5 Section 70. Cooling-off period.

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

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

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

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

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

1 Section 75. Installment sales contract disclosures.

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

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

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

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

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

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

9 (735 ILCS 5/15-1106) (from Ch. 110, par. 15-1106)

10 Sec. 15-1106. Applicability of Article.

11 (a) Exclusive Procedure. From and after July 1, 1987 (the
12 effective date of Public Act 84-1462) ~~this amendatory Act of~~
13 ~~1986~~, the following shall be foreclosed in a foreclosure
14 pursuant to this Article:

15 (1) any mortgage created prior to, on or after July 1,
16 1987 (the effective date of Public Act 84-1462) ~~this~~
17 ~~amendatory Act of 1986~~;

18 (2) any real estate installment contract for
19 residential real estate entered into on or after July 1,
20 1987 (the effective date of Public Act 84-1462) ~~this~~
21 ~~amendatory Act of 1986~~ and under which ~~(i) the purchase~~
22 ~~price is to be paid in installments over a period in excess~~

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

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

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

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

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

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

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

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

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

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

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

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

21 (765 ILCS 605/18) (from Ch. 30, par. 318)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 except that notice may be sent, to the
16 extent the condominium instruments or rules adopted
17 thereunder expressly so provide, by electronic
18 transmission consented to by the unit owner to whom the
19 notice is given, provided the director and officer or his
20 agent certifies in writing to the delivery by electronic
21 transmission;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 purposes; and

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

6 (i) merger or consolidation of the association;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (o) The association shall have no authority to forbear

1 the payment of assessments by any unit owner.

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

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

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

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

12 (Source: P.A. 98-1042, eff. 1-1-15; 99-472, eff. 6-1-16;
13 99-567, eff. 1-1-17; 99-642, eff. 7-28-16.)

14 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

15 Sec. 18.5. Master Associations.

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

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

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

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

7 (c) Meetings and finances.

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

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

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

1 establishment of an assessment.

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (d) Records.

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

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

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

1 the master association, shall be maintained.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (i) All original documents as recorded or filed

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (8) A statement that any improvements or alterations

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

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

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

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

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

9 (h) Errors and omissions.

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

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

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

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

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

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

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

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

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

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

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

20 (j) (Blank).

21 (Source: P.A. 96-1045, eff. 7-14-10; 97-535, eff. 1-1-12;
22 97-605, eff. 8-26-11; 97-813, eff. 7-13-12.)

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

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

2 Sec. 2Z. Violations of other Acts. Any person who knowingly
3 violates the Automotive Repair Act, the Automotive Collision
4 Repair Act, the Home Repair and Remodeling Act, the Dance
5 Studio Act, the Physical Fitness Services Act, the Hearing
6 Instrument Consumer Protection Act, the Illinois Union Label
7 Act, the Installment Sales Contract Act, the Job Referral and
8 Job Listing Services Consumer Protection Act, the Travel
9 Promotion Consumer Protection Act, the Credit Services
10 Organizations Act, the Automatic Telephone Dialers Act, the
11 Pay-Per-Call Services Consumer Protection Act, the Telephone
12 Solicitations Act, the Illinois Funeral or Burial Funds Act,
13 the Cemetery Oversight Act, the Cemetery Care Act, the Safe and
14 Hygienic Bed Act, the Pre-Need Cemetery Sales Act, the High
15 Risk Home Loan Act, the Payday Loan Reform Act, the Mortgage
16 Rescue Fraud Act, subsection (a) or (b) of Section 3-10 of the
17 Cigarette Tax Act, subsection (a) or (b) of Section 3-10 of the
18 Cigarette Use Tax Act, the Electronic Mail Act, the Internet
19 Caller Identification Act, paragraph (6) of subsection (k) of
20 Section 6-305 of the Illinois Vehicle Code, Section 11-1431,
21 18d-115, 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the
22 Illinois Vehicle Code, Article 3 of the Residential Real
23 Property Disclosure Act, the Automatic Contract Renewal Act,
24 the Reverse Mortgage Act, Section 25 of the Youth Mental Health
25 Protection Act, or the Personal Information Protection Act
26 commits an unlawful practice within the meaning of this Act.

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

3 Section 999. Effective date. This Act takes effect January
4 1, 2018.