



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

### HB4560

Introduced 2/1/2012, by Rep. André M. Thapedi

#### SYNOPSIS AS INTRODUCED:

765 ILCS 160/1-45  
765 ILCS 605/9  
765 ILCS 605/18.5

from Ch. 30, par. 309  
from Ch. 30, par. 318.5

Amends the Common Interest Association Act. Provides that the purchaser of a unit of a common interest community, other than a mortgagee, must pay the common expenses for the unit, including attorneys' fees, that would have been due during the 12 months before a foreclosure judicial sale or the execution of a deed in lieu of foreclosure and if common expenses are paid at any time, the purchaser, other than the mortgagee, has no obligation to pay any common expenses that accrued before the purchaser acquired title. Amends the Condominium Property Act. Provides that the purchaser of a condominium unit at a judicial foreclosure sale, other than a mortgagee, or a purchaser who acquires title from a mortgagee following a judicial foreclosure sale or the execution of deed in lieu of foreclosure must pay the proportionate share of the unit's common expenses, including attorneys' fees, that would have been due during the 12 months before a judicial sale or execution of a deed in lieu of foreclosure (instead of must pay common expenses, without attorney's fees included, for the 6 months incurred immediately before the filing of an action to collect common expenses) and if the common expenses are paid, the purchaser, other than the mortgagee, has no obligation to pay any common expenses that accrued before the purchaser acquired title. Makes other changes. Effective July 1, 2012.

LRB097 15076 AJO 60167 b

1 AN ACT concerning civil law.

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

4 Section 5. The Common Interest Community Association Act is  
5 amended by changing Section 1-45 as follows:

6 (765 ILCS 160/1-45)

7 Sec. 1-45. Finances.

8 (a) Each unit owner shall receive through a prescribed  
9 delivery method, at least 30 days but not more than 60 days  
10 prior to the adoption thereof by the board, a copy of the  
11 proposed annual budget together with an indication of which  
12 portions are intended for reserves, capital expenditures or  
13 repairs or payment of real estate taxes.

14 (b) The board shall provide all unit owners with a  
15 reasonably detailed summary of the receipts, common expenses,  
16 and reserves for the preceding budget year. The board shall (i)  
17 make available for review to all unit owners an itemized  
18 accounting of the common expenses for the preceding year  
19 actually incurred or paid, together with an indication of which  
20 portions were for reserves, capital expenditures or repairs or  
21 payment of real estate taxes and with a tabulation of the  
22 amounts collected pursuant to the budget or assessment, and  
23 showing the net excess or deficit of income over expenditures

1 plus reserves or (ii) provide a consolidated annual independent  
2 audit report of the financial status of all fund accounts  
3 within the association.

4 (c) If an adopted budget or any separate assessment adopted  
5 by the board would result in the sum of all regular and  
6 separate assessments payable in the current fiscal year  
7 exceeding 115% of the sum of all regular and separate  
8 assessments payable during the preceding fiscal year, the  
9 common interest community association, upon written petition  
10 by unit owners with 20% of the votes of the association  
11 delivered to the board within 14 days of the board action,  
12 shall call a meeting of the unit owners within 30 days of the  
13 date of delivery of the petition to consider the budget or  
14 separate assessment; unless a majority of the total votes of  
15 the unit owners are cast at the meeting to reject the budget or  
16 separate assessment, it shall be deemed ratified.

17 (d) Any common expense not set forth in the budget or any  
18 increase in assessments over the amount adopted in the budget  
19 shall be separately assessed against all unit owners.

20 (e) Separate assessments for expenditures relating to  
21 emergencies or mandated by law may be adopted by the board  
22 without being subject to unit owner approval or the provisions  
23 of subsection (c) or (f) of this Section. As used herein,  
24 "emergency" means an immediate danger to the structural  
25 integrity of the common areas or to the life, health, safety,  
26 or property of the unit owners.

1 (f) Assessments for additions and alterations to the common  
2 areas or to association-owned property not included in the  
3 adopted annual budget, shall be separately assessed and are  
4 subject to approval of two-thirds of the total members at a  
5 meeting called for that purpose.

6 (g) The board may adopt separate assessments payable over  
7 more than one fiscal year. With respect to multi-year  
8 assessments not governed by subsections (e) and (f) of this  
9 Section, the entire amount of the multi-year assessment shall  
10 be deemed considered and authorized in the first fiscal year in  
11 which the assessment is approved.

12 (h) The board of a common interest community association  
13 shall have the authority to establish and maintain a system of  
14 master metering of public utility services to collect payments  
15 in conjunction therewith, subject to the requirements of the  
16 Tenant Utility Payment Disclosure Act.

17 (i) Notwithstanding any other provision of this Act, the  
18 purchaser of a unit of a common interest community at a  
19 judicial foreclosure sale, other than a mortgagee, who takes  
20 title to a unit of a common interest community pursuant to a  
21 court order or a purchaser who acquires title from a mortgagee  
22 following a judicial foreclosure sale or conveyance of a unit  
23 pursuant to a deed in lieu of foreclosure shall have the duty  
24 to pay the proportionate share, if any, of the common expenses  
25 for the unit, including but not limited to attorneys' fees  
26 levied pursuant to subsection (k), that would have become due

1 in the absence of any acceleration during the 12 months  
2 immediately preceding a judicial foreclosure sale or execution  
3 of a deed in lieu of foreclosure. If the 12 months of common  
4 expenses are paid at any time, the purchaser, other than the  
5 mortgagee, shall have no obligation to pay any common expenses  
6 that accrued before he or she acquired title.

7 The notice of sale of a unit of a common interest community  
8 under subsection (c) of Section 15-1507 of the Code of Civil  
9 Procedure shall state that the purchaser of the unit other than  
10 a mortgagee shall pay the common expenses, including but not  
11 limited to attorneys' fees levied pursuant to subsection (k),  
12 required by this Section.

13 The statement of assessment account issued by the  
14 association to a unit owner and the disclosure statement issued  
15 to a prospective purchaser under paragraph (2) of subsection  
16 (d) of Section 1-35 shall state the amount of common expenses,  
17 if any, including but not limited to attorneys' fees levied  
18 pursuant to subsection (k), required by this Section and  
19 paragraph (2) of subsection (d) of Section 1-35.

20 (j) In the event of any default by any unit owner, his or  
21 her tenant, invitee, or guest in the performance of the unit  
22 owner's obligations under this Act or under the Declaration,  
23 bylaws, or the rules and regulations of the board of managers,  
24 the board of managers or its agents shall have such rights and  
25 remedies as provided in the Act or the common interest  
26 community's instruments including the right to maintain an

1 action for possession against the defaulting unit owner or his  
2 or her tenant for the benefit of all the other unit owners in  
3 the manner prescribed by Article IX of the Code of Civil  
4 Procedure.

5 (k) Any attorneys' fees incurred by the common interest  
6 community arising out of a default by any unit owner, his or  
7 her tenant, invitee, or guest in the performance of any of the  
8 provisions of the common interest community's instruments,  
9 rules and regulations, or any applicable statute or ordinance  
10 shall be added to, and deemed a part of, his or her respective  
11 share of the common expense.

12 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

13 Section 10. The Condominium Property Act is amended by  
14 changing Sections 9 and 18.5 as follows:

15 (765 ILCS 605/9) (from Ch. 30, par. 309)

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

17 (a) All common expenses incurred or accrued prior to the  
18 first conveyance of a unit shall be paid by the developer, and  
19 during this period no common expense assessment shall be  
20 payable to the association. It shall be the duty of each unit  
21 owner including the developer to pay his proportionate share of  
22 the common expenses commencing with the first conveyance. The  
23 proportionate share shall be in the same ratio as his  
24 percentage of ownership in the common elements set forth in the

1 declaration.

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

5 (c) Budget and reserves.

6 (1) The board of managers shall prepare and distribute  
7 to all unit owners a detailed proposed annual budget,  
8 setting forth with particularity all anticipated common  
9 expenses by category as well as all anticipated assessments  
10 and other income. The initial budget and common expense  
11 assessment based thereon shall be adopted prior to the  
12 conveyance of any unit. The budget shall also set forth  
13 each unit owner's proposed common expense assessment.

14 (2) All budgets adopted by a board of managers on or  
15 after July 1, 1990 shall provide for reasonable reserves  
16 for capital expenditures and deferred maintenance for  
17 repair or replacement of the common elements. To determine  
18 the amount of reserves appropriate for an association, the  
19 board of managers shall take into consideration the  
20 following: (i) the repair and replacement cost, and the  
21 estimated useful life, of the property which the  
22 association is obligated to maintain, including but not  
23 limited to structural and mechanical components, surfaces  
24 of the buildings and common elements, and energy systems  
25 and equipment; (ii) the current and anticipated return on  
26 investment of association funds; (iii) any independent

1 professional reserve study which the association may  
2 obtain; (iv) the financial impact on unit owners, and the  
3 market value of the condominium units, of any assessment  
4 increase needed to fund reserves; and (v) the ability of  
5 the association to obtain financing or refinancing.

6 (3) Notwithstanding the provisions of this subsection  
7 (c), an association without a reserve requirement in its  
8 condominium instruments may elect to waive in whole or in  
9 part the reserve requirements of this Section by a vote of  
10 2/3 of the total votes of the association. Any association  
11 having elected under this paragraph (3) to waive the  
12 provisions of subsection (c) may by a vote of 2/3 of the  
13 total votes of the association elect to again be governed  
14 by the requirements of subsection (c).

15 (4) In the event that an association elects to waive  
16 all or part of the reserve requirements of this Section,  
17 that fact must be disclosed after the meeting at which the  
18 waiver occurs by the association in the financial  
19 statements of the association and, highlighted in bold  
20 print, in the response to any request of a prospective  
21 purchaser for the information prescribed under Section  
22 22.1; and no member of the board of managers or the  
23 managing agent of the association shall be liable, and no  
24 cause of action may be brought for damages against these  
25 parties, for the lack or inadequacy of reserve funds in the  
26 association budget.



1 (d) (Blank).

2 (e) The condominium instruments may provide for the  
3 assessment, in connection with expenditures for the limited  
4 common elements, of only those units to which the limited  
5 common elements are assigned.

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

8 (g) Lien.

9 (1) If any unit owner shall fail or refuse to make any  
10 payment of the common expenses or the amount of any unpaid  
11 fine when due, the amount thereof together with any  
12 interest, late charges, reasonable attorney fees incurred  
13 enforcing the covenants of the condominium instruments,  
14 rules and regulations of the board of managers, or any  
15 applicable statute or ordinance, and costs of collections  
16 shall constitute a lien on the interest of the unit owner  
17 in the property prior to all other liens and encumbrances,  
18 recorded or unrecorded, except only (a) taxes, special  
19 assessments and special taxes theretofore or thereafter  
20 levied by any political subdivision or municipal  
21 corporation of this State and other State or federal taxes  
22 which by law are a lien on the interest of the unit owner  
23 prior to preexisting recorded encumbrances thereon and (b)  
24 encumbrances on the interest of the unit owner recorded  
25 prior to the date of such failure or refusal which by law  
26 would be a lien thereon prior to subsequently recorded

1 encumbrances. Any action brought to extinguish the lien of  
2 the association shall include the association as a party.

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

20 (3) The purchaser of a condominium unit at a judicial  
21 foreclosure sale, or a mortgagee who receives title to a  
22 unit by deed in lieu of foreclosure or judgment by common  
23 law strict foreclosure or otherwise takes possession  
24 pursuant to court order under the Illinois Mortgage  
25 Foreclosure Law, shall have the duty to pay the unit's  
26 proportionate share of the common expenses for the unit

1 assessed from and after the first day of the month after  
2 the date of the judicial foreclosure sale, delivery of the  
3 deed in lieu of foreclosure, entry of a judgment in common  
4 law strict foreclosure, or taking of possession pursuant to  
5 such court order. Such payment confirms the extinguishment  
6 of any lien created pursuant to paragraph (1) or (2) of  
7 this subsection (g) by virtue of the failure or refusal of  
8 a prior unit owner to make payment of common expenses,  
9 where the judicial foreclosure sale has been confirmed by  
10 order of the court, a deed in lieu thereof has been  
11 accepted by the lender, or a consent judgment has been  
12 entered by the court.

13 (4) Notwithstanding any other provision of this Act,  
14 the ~~The~~ purchaser of a condominium unit at a judicial  
15 foreclosure sale, other than a mortgagee, who takes title  
16 to ~~possession of~~ a condominium unit pursuant to a court  
17 order or a purchaser who acquires title from a mortgagee  
18 following a judicial foreclosure sale or execution of a  
19 deed in lieu of foreclosure shall have the duty to pay the  
20 proportionate share, if any, of the common expenses for the  
21 unit, including but not limited to attorneys' fees levied  
22 pursuant to subsection (b) of Section 9.2, that ~~which~~ would  
23 have become due in the absence of any ~~assessment~~  
24 acceleration during the 12 ~~6~~ months immediately preceding a  
25 judicial foreclosure sale or execution of a deed in lieu of  
26 foreclosure ~~institution of an action to enforce the~~

1 ~~collection of assessments, and which remain unpaid by the~~  
2 ~~owner during whose possession the assessments accrued. If~~  
3 ~~the 12 months of common expenses outstanding assessments~~  
4 ~~are paid at any time during any action to enforce the~~  
5 ~~collection of assessments, the purchaser, other than the~~  
6 ~~mortgagee,~~ shall have no obligation to pay any common  
7 expenses that assessments which accrued before he or she  
8 acquired title.

9 (5) The notice of sale of a condominium unit under  
10 subsection (c) of Section 15-1507 of the Code of Civil  
11 Procedure shall state that the purchaser of the unit other  
12 than a mortgagee shall pay the common expenses, including  
13 but not limited to attorneys' fees levied pursuant to  
14 subsection (b) of Section 9.2, required by subdivision  
15 (g) (4) assessments and the legal fees required by  
16 subdivisions (g) (1) and (g) (4) of Section 9 of this Act.  
17 The statement of assessment account issued by the  
18 association to a unit owner under subsection (i) of Section  
19 18 of this Act, and the disclosure statement issued to a  
20 prospective purchaser under Section 22.1 of this Act, shall  
21 state the amount of common expenses ~~the assessments and the~~  
22 ~~legal fees,~~ if any, including but not limited to attorneys'  
23 fees levied pursuant to subsection (b) of Section 9.2 of  
24 this Act, required by subdivisions (g) (1) and (g) (4) of  
25 Section 9 of this Act.

26 (h) A lien for common expenses shall be in favor of the

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

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

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

1           (k) Nothing in Public Act 83-1271 is intended to change the  
2           lien priorities of any encumbrance created prior to August 30,  
3           1984.

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

5           (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

6           Sec. 18.5. Master Associations.

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

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

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

23          (c) Meetings and finances.

24                 (1) Each unit owner of a condominium subject to the  
25                 authority of the board of the master association shall

1 receive, at least 30 days prior to the adoption thereof by  
2 the board of the master association, a copy of the proposed  
3 annual budget.

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

12 (3) Each unit owner of a condominium subject to the  
13 authority of the board of the master association shall  
14 receive written notice mailed or delivered no less than 10  
15 and no more than 30 days prior to any meeting of the board  
16 of the master association concerning the adoption of the  
17 proposed annual budget or any increase in the budget, or  
18 establishment of an assessment.

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

23 (A) to discuss litigation when an action against or  
24 on behalf of the particular master association has been  
25 filed and is pending in a court or administrative  
26 tribunal, or when the board of the master association

1 finds that such an action is probable or imminent,

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

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

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

10 Any unit owner may record the proceedings at meetings  
11 required to be open by this Act by tape, film or other  
12 means; the board may prescribe reasonable rules and  
13 regulations to govern the right to make such recordings.  
14 Notice of meetings shall be mailed or delivered at least 48  
15 hours prior thereto, unless a written waiver of such notice  
16 is signed by the persons entitled to notice before the  
17 meeting is convened. Copies of notices of meetings of the  
18 board of the master association shall be posted in  
19 entranceways, elevators, or other conspicuous places in  
20 the condominium at least 48 hours prior to the meeting of  
21 the board of the master association. Where there is no  
22 common entranceway for 7 or more units, the board of the  
23 master association may designate one or more locations in  
24 the proximity of these units where the notices of meetings  
25 shall be posted.

26 (5) If the declaration provides for election by unit



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

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

26 (7) The board of the master association or a common

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

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

20 (d) Records.

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

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

11 (ii) Detailed and accurate records in  
12 chronological order of the receipts and expenditures  
13 affecting the common areas, specifying and itemizing  
14 the maintenance and repair expenses of the common areas  
15 and any other expenses incurred, and copies of all  
16 contracts, leases, or other agreements entered into by  
17 the master association, shall be maintained.

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

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

26 (v) Such other records of the master association as

1           are available for inspection by members of a  
2           not-for-profit corporation pursuant to Section 107.75  
3           of the General Not For Profit Corporation Act of 1986  
4           shall be maintained.

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

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

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

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

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

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

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

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

1 board of directors.

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

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

16 (i) All original documents as recorded or filed  
17 pertaining to the property, its administration, and  
18 the association, such as the declaration, articles of  
19 incorporation, other instruments, annual reports,  
20 minutes, rules and regulations, and contracts, leases,  
21 or other agreements entered into by the association. If  
22 any original documents are unavailable, a copy may be  
23 provided if certified by affidavit of the developer, or  
24 an officer or agent of the developer, as being a  
25 complete copy of the actual document recorded or filed.

26 (ii) A detailed accounting by the developer,

1 setting forth the source and nature of receipts and  
2 expenditures in connection with the management,  
3 maintenance and operation of the property, copies of  
4 all insurance policies, and a list of any loans or  
5 advances to the association which are outstanding.

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

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

15 (v) A list of all litigation, administrative  
16 action and arbitrations involving the association, any  
17 notices of governmental bodies involving actions taken  
18 or which may be taken concerning the association,  
19 engineering and architectural drawings and  
20 specifications as approved by any governmental  
21 authority, all other documents filed with any other  
22 governmental authority, all governmental certificates,  
23 correspondence involving enforcement of any  
24 association requirements, copies of any documents  
25 relating to disputes involving unit owners, and  
26 originals of all documents relating to everything

1 listed in this subparagraph.

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

13 (5) With respect to any master association whose  
14 declaration is recorded on or after August 10, 1990, any  
15 contract, lease, or other agreement made prior to the  
16 election of a majority of the board of directors other than  
17 the developer by or on behalf of unit owners or underlying  
18 condominium associations, the association or the board of  
19 directors, which extends for a period of more than 2 years  
20 from the recording of the declaration, shall be subject to  
21 cancellation by more than 1/2 of the votes of the unit  
22 owners, other than the developer, cast at a special meeting  
23 of members called for that purpose during a period of 90  
24 days prior to the expiration of the 2 year period if the  
25 board of managers is elected by the unit owners, otherwise  
26 by more than 1/2 of the underlying condominium board of



1 managers. At least 60 days prior to the expiration of the 2  
2 year period, the board of directors, or, if the board is  
3 still under developer control, then the board of managers  
4 or the developer shall send notice to every unit owner or  
5 underlying condominium board of managers, notifying them  
6 of this provision, of what contracts, leases and other  
7 agreements are affected, and of the procedure for calling a  
8 meeting of the unit owners or for action by the underlying  
9 condominium board of managers for the purpose of acting to  
10 terminate such contracts, leases or other agreements.  
11 During the 90 day period the other party to the contract,  
12 lease, or other agreement shall also have the right of  
13 cancellation.

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

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

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

26 (2) A statement of any liens, including a statement of

1 the account of the unit setting forth the amounts of unpaid  
2 assessments and other charges due and owing.

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

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

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

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

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

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

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

25 A reasonable fee covering the direct out-of-pocket cost of  
26 copying and providing such information may be charged by the

1 association or its board of directors to the unit seller for  
2 providing the information.

3 (g-1) Notwithstanding any other provision of this Act, the  
4 ~~The purchaser of a unit of a master association ~~common interest~~~~  
5 ~~community~~ at a judicial foreclosure sale, other than a  
6 mortgagee, who takes title to possession of a unit of a master  
7 association ~~common interest community~~ pursuant to a court order  
8 or a purchaser who acquires title from a mortgagee following a  
9 judicial foreclosure sale or conveyance of a unit pursuant to a  
10 deed in lieu of foreclosure shall have the duty to pay the  
11 proportionate share, if any, of the common expenses for the  
12 unit, including but not limited to attorneys levied pursuant to  
13 subsection (b) of Section 9.2 of this Act, that would have  
14 become due in the absence of any ~~assessment~~ acceleration during  
15 the 12 ~~6~~ months immediately preceding a judicial foreclosure  
16 sale or execution of deed in lieu of foreclosure ~~institution of~~  
17 ~~an action to enforce the collection of assessments and the~~  
18 ~~court costs incurred by the association in an action to enforce~~  
19 ~~the collection that remain unpaid by the owner during whose~~  
20 ~~possession the assessments accrued.~~ If the 12 months of common  
21 expenses ~~outstanding assessments and the court costs incurred~~  
22 ~~by the association in an action to enforce the collection~~ are  
23 paid at any time ~~during any action to enforce the collection of~~  
24 ~~assessments,~~ the purchaser, other than the mortgagee, shall  
25 have no obligation to pay any common expense ~~assessments~~ that  
26 accrued before he or she acquired title. The notice of sale of

1 a unit of a master association ~~common interest community~~ under  
2 subsection (c) of Section 15-1507 of the Code of Civil  
3 Procedure shall state that the purchaser of the unit other than  
4 a mortgagee shall pay the common expenses, including but not  
5 limited to attorneys' fees levied pursuant to subsection (b) of  
6 Section 9.2 of this Act ~~assessments and court costs~~ required by  
7 this subsection (g-1).

8 (h) Errors and omissions.

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

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

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

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

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

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

1 or adversely affected.

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

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

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

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

19 (j) (Blank).

20 (Source: P.A. 96-1045, eff. 7-14-10; 97-535, eff. 1-1-12;  
21 97-605, eff. 8-26-11; revised 10-4-11.)

22 Section 99. Effective date. This Act takes effect July 1,  
23 2012.