

1 AN ACT concerning civil law.

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

4 Section 5. The Condominium Property Act is amended by  
5 changing Section 18.5 as follows:

6 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

7 Sec. 18.5. Master Associations.

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

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

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

1 (c) Meetings and finances.

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

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

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

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

26 (A) to discuss litigation when an action against or

1 on behalf of the particular master association has been  
2 filed and is pending in a court or administrative  
3 tribunal, or when the board of the master association  
4 finds that such an action is probable or imminent,

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

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

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

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

1 the proximity of these units where the notices of meetings  
2 shall be posted.

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

24 (6) The board of the master association shall have the  
25 authority to establish and maintain a system of master  
26 metering of public utility services and to collect payments

1 in connection therewith, subject to the requirements of the  
2 Tenant Utility Payment Disclosure Act.

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

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

23 (d) Records.

24 (1) The board of the master association shall maintain  
25 the following records of the association and make them  
26 available for examination and copying at convenient hours

1 of weekdays by any unit owners in a condominium subject to  
2 the authority of the board or their mortgagees and their  
3 duly authorized agents or attorneys:

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

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

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

24 (iv) Ballots and proxies related thereto, if any,  
25 for any election held for the board of the master  
26 association and for any other matters voted on by the

1 unit owners shall be maintained for not less than one  
2 year.

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

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

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

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

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

25 (e) The board of directors shall have standing and capacity  
26 to act in a representative capacity in relation to matters

1 involving the common areas of the master association or more  
2 than one unit, on behalf of the unit owners as their interests  
3 may appear.

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

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

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



1 owner shall upon receipt of the request be provided with  
2 the same information, within 10 days of the request, with  
3 respect to each subsequent meeting to elect members of the  
4 board of directors.

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

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

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

1 an officer or agent of the developer, as being a  
2 complete copy of the actual document recorded or filed.

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

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

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

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

1 association requirements, copies of any documents  
2 relating to disputes involving unit owners, and  
3 originals of all documents relating to everything  
4 listed in this subparagraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

24           The principal officer of the unit owner's association or  
25 such other officer as is specifically designated shall furnish  
26 the above information when requested to do so in writing,

1 within 30 days of receiving the request.

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

6 (g-1) The purchaser of a unit of a common interest  
7 community at a judicial foreclosure sale, other than a  
8 mortgagee, who takes possession of a unit of a common interest  
9 community pursuant to a court order or a purchaser who acquires  
10 title from a mortgagee shall have the duty to pay the  
11 proportionate share, if any, of the common expenses for the  
12 unit that would have become due in the absence of any  
13 assessment acceleration during the 6 months immediately  
14 preceding institution of an action to enforce the collection of  
15 assessments, and the association's costs of collection,  
16 including reasonable attorney's fees, and that remain unpaid by  
17 the owner during whose possession the assessments accrued. If  
18 the outstanding assessments and the association's costs of  
19 collection, including reasonable attorney's fees, are paid at  
20 any time during any action to enforce the collection of  
21 assessments, the purchaser shall have no obligation to pay any  
22 assessments or costs that accrued before he or she acquired  
23 title. The notice of sale of a unit of a common interest  
24 community under subsection (c) of Section 15-1507 of the Code  
25 of Civil Procedure shall state that the purchaser of the unit  
26 other than a mortgagee shall pay the assessments and costs

1 required by this subsection (g-1).

2 (h) Errors and omissions.

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

14 (2) If, through a scrivener's error, a unit has not  
15 been designated as owning an appropriate undivided share of  
16 the common areas or does not bear an appropriate share of  
17 the common expenses, or if all of the common expenses or  
18 all of the common elements in the condominium have not been  
19 distributed in the declaration, so that the sum total of  
20 the shares of common areas which have been distributed or  
21 the sum total of the shares of the common expenses fail to  
22 equal 100%, or if it appears that more than 100% of the  
23 common elements or common expenses have been distributed,  
24 the error may be corrected by operation of law by filing an  
25 amendment to the declaration, approved by vote of  
26 two-thirds of the members of the board of directors or a

1 majority vote of the unit owners at a meeting called for  
2 that purpose, which proportionately adjusts all percentage  
3 interests so that the total is equal to 100%, unless the  
4 declaration specifically provides for a different  
5 procedure or different percentage vote by the owners of the  
6 units and the owners of mortgages thereon affected by  
7 modification being made in the undivided interest in the  
8 common areas, the number of votes in the unit owners  
9 association or the liability for common expenses  
10 appertaining to the unit.

11 (3) If an omission or error or a scrivener's error in  
12 the declaration or other instrument is corrected by vote of  
13 two-thirds of the members of the board of directors  
14 pursuant to the authority established in subdivisions  
15 (h) (1) or (h) (2) of this Section, the board, upon written  
16 petition by unit owners with 20% of the votes of the  
17 association or resolutions adopted by the board of managers  
18 or board of directors of the condominium and common  
19 interest community associations which select 20% of the  
20 members of the board of directors of the master  
21 association, whichever is applicable, received within 30  
22 days of the board action, shall call a meeting of the unit  
23 owners or the boards of the condominium and common interest  
24 community associations which select members of the board of  
25 directors of the master association within 30 days of the  
26 filing of the petition or receipt of the condominium and



1 common interest community association resolution to  
2 consider the board action. Unless a majority of the votes  
3 of the unit owners of the association are cast at the  
4 meeting to reject the action, or board of managers or board  
5 of directors of condominium and common interest community  
6 associations which select over 50% of the members of the  
7 board of the master association adopt resolutions prior to  
8 the meeting rejecting the action of the board of directors  
9 of the master association, it is ratified whether or not a  
10 quorum is present.

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

22 (5) If there is an omission or error in the declaration  
23 or other instruments that may not be corrected by an  
24 amendment procedure set forth in subdivision (h)(1) or  
25 (h)(2) of this Section, then the circuit court in the  
26 county in which the master association is located shall

1 have jurisdiction to hear a petition of one or more of the  
2 unit owners thereon or of the association, to correct the  
3 error or omission, and the action may be a class action.  
4 The court may require that one or more methods of  
5 correcting the error or omission be submitted to the unit  
6 owners to determine the most acceptable correction. All  
7 unit owners in the association must be joined as parties to  
8 the action. Service of process on owners may be by  
9 publication, but the plaintiff shall furnish all unit  
10 owners not personally served with process with copies of  
11 the petition and final judgment of the court by certified  
12 mail, return receipt requested, at their last known  
13 address.

14 (6) Nothing contained in this Section shall be  
15 construed to invalidate any provision of a declaration  
16 authorizing the developer to amend an instrument prior to  
17 the latest date on which the initial membership meeting of  
18 the unit owners must be held, whether or not it has  
19 actually been held, to bring the instrument into compliance  
20 with the legal requirements of the Federal National  
21 Mortgage Association, the Federal Home Loan Mortgage  
22 Corporation, the Federal Housing Administration, the  
23 United States Veterans Administration or their respective  
24 successors and assigns.

25 (i) The provisions of subsections (c) through (h) are  
26 applicable to all declarations, other condominium instruments,

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

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

21 (Source: P.A. 96-1045, eff. 7-14-10.)