



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2645

Introduced 2/21/2013, by Rep. Emily McAsey

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 Community 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, attorneys' fees, and other charges related to the common expenses that would have been due during the 12 months before a foreclosure judicial sale or the delivery 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 delivery of a deed in lieu of foreclosure must pay the proportionate share of the unit's common expenses, attorneys' fees, and other charges related to the common expenses 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. Provides that the board of a common interest community association and the board of a condominium master association shall have the authority to impose charges for the late payment of a unit owner's common expenses share or other expenses lawfully agreed upon. Makes other changes. Effective July 1, 2013.

LRB098 06628 HEP 36671 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 member shall receive through a prescribed delivery
9 method, at least 30 days but not more than 60 days prior to the
10 adoption thereof by the board, a copy of the proposed annual
11 budget together with an indication of which portions are
12 intended for reserves, capital expenditures or repairs or
13 payment of real estate taxes.

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

1 (ii) provide a consolidated annual independent audit report of
2 the financial status of all fund accounts within the
3 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 members with 20% of the votes of the association delivered
11 to the board within 14 days of the board action, shall call a
12 meeting of the members within 30 days of the date of delivery
13 of the petition to consider the budget or separate assessment;
14 unless a majority of the total votes of the members are cast at
15 the meeting to reject the budget or separate assessment, it
16 shall be deemed ratified.

17 (d) If total common expenses exceed the total amount of the
18 approved and adopted budget, the common interest community
19 association shall disclose this variance to all its members and
20 specifically identify the subsequent assessments needed to
21 offset this variance in future budgets.

22 (e) Separate assessments for expenditures relating to
23 emergencies or mandated by law may be adopted by the board
24 without being subject to member approval or the provisions of
25 subsection (c) or (f) of this Section. As used herein,
26 "emergency" means a danger to or a compromise of the structural

1 integrity of the common areas or any of the common facilities
2 of the common interest community. "Emergency" also includes a
3 danger to the life, health or safety of the membership.

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

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

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

20 (i) Notwithstanding any other provision of this Act, the
21 purchaser of a unit of a common interest community at a
22 judicial foreclosure sale, other than a mortgagee, who takes
23 title to a unit of a common interest community pursuant to a
24 court order or a purchaser who acquires title from a mortgagee
25 following a judicial foreclosure sale or pursuant to a deed in
26 lieu of foreclosure shall have the duty to pay the

1 proportionate share, if any, of the common expenses for the
2 unit, attorneys' fees levied pursuant to subsection (k), and
3 other charges related to the common expenses, that would have
4 become due in the absence of any acceleration during the 12
5 months immediately preceding a judicial foreclosure sale or
6 delivery of a deed in lieu of foreclosure. If the 12 months of
7 common expenses, related attorneys' fees, and other charges are
8 paid at any time, the purchaser, other than the mortgagee,
9 shall have no obligation to pay any common expenses, related
10 attorneys' fees, and other charges that accrued before he or
11 she acquired title.

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

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

24 (j) In the event of any default by any member or his or her
25 tenant, invitee, or guest in the performance of the member's
26 obligations under this Act or under the declaration, the

1 bylaws, or the rules and regulations of the board of managers,
2 the board of managers or its agents shall have such rights and
3 remedies as provided in this Act or the common interest
4 community's instruments, including the right to maintain an
5 action for possession against the defaulting member or his or
6 her tenant for the benefit of all the other members in the
7 manner prescribed by Article IX of the Code of Civil Procedure.

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

15 (l) The board of a common interest community association
16 shall have the authority to impose charges for the late payment
17 of a member's share of the common expenses, or any other
18 expenses lawfully agreed upon.

19 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11;
20 97-1090, eff. 8-24-12.)

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

23 (765 ILCS 605/9) (from Ch. 30, par. 309)

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

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

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

13 (c) Budget and reserves.

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

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

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

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

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

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

9 (d) (Blank).

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

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

16 (g) Lien.

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

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

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

1 date of mailing of each such notice.

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

21 (4) Notwithstanding any other provision of this Act,
22 the ~~The~~ purchaser of a condominium unit at a judicial
23 foreclosure sale, other than a mortgagee, who takes title
24 to possession ~~of~~ a condominium unit pursuant to a court
25 order or a purchaser who acquires title from a mortgagee
26 following a judicial foreclosure sale or pursuant to a deed

1 in lieu of foreclosure shall have the duty to pay the
2 proportionate share, if any, of the common expenses for the
3 unit, attorneys' fees levied pursuant to subsection (b) of
4 Section 9.2, and other charges related to the common
5 expenses, that ~~which~~ would have become due in the absence
6 of any ~~assessment~~ acceleration during the 12 ~~6~~ months
7 immediately preceding a judicial foreclosure sale or
8 delivery of a deed in lieu of foreclosure ~~institution of an~~
9 ~~action to enforce the collection of assessments, and which~~
10 ~~remain unpaid by the owner during whose possession the~~
11 ~~assessments accrued.~~ If the 12 months of common expenses,
12 related attorneys' fees, and other charges ~~outstanding~~
13 ~~assessments~~ are paid at any time ~~during any action to~~
14 ~~enforce the collection of assessments,~~ the purchaser,
15 other than the mortgagee, shall have no obligation to pay
16 any common expenses, related attorneys' fees, and other
17 charges that ~~assessments which~~ accrued before he or she
18 acquired title.

19 (5) The notice of sale of a condominium unit under
20 subsection (c) of Section 15-1507 of the Code of Civil
21 Procedure shall state that the purchaser of the unit other
22 than a mortgagee shall pay the common expenses, including
23 but not limited to attorneys' fees levied pursuant to
24 subsection (b) of Section 9.2, required by subdivision
25 (g) (4) ~~assessments and the legal fees required by~~
26 ~~subdivisions (g) (1) and (g) (4)~~ of Section 9 of this Act.

1 The statement of assessment account issued by the
2 association to a unit owner under subsection (i) of Section
3 18 of this Act, and the disclosure statement issued to a
4 prospective purchaser under Section 22.1 of this Act, shall
5 state the amount of common expenses ~~the assessments and the~~
6 ~~legal fees~~, if any, including but not limited to attorneys'
7 fees levied pursuant to subsection (b) of Section 9.2 of
8 this Act, required by subdivisions (g)(1) and (g)(4) of
9 Section 9 of this Act.

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

20 (i) Unless otherwise provided in the declaration, the
21 members of the board of managers and their successors in
22 office, acting on behalf of the other unit owners, shall have
23 the power to bid on the interest so foreclosed at the
24 foreclosure sale, and to acquire and hold, lease, mortgage and
25 convey it.

26 (j) Any encumbrancer may from time to time request in

1 writing a written statement from the manager or board of
2 managers setting forth the unpaid common expenses with respect
3 to the unit covered by his encumbrance. Unless the request is
4 complied with within 20 days, all unpaid common expenses which
5 become due prior to the date of the making of such request
6 shall be subordinate to the lien of the encumbrance. Any
7 encumbrancer holding a lien on a unit may pay any unpaid common
8 expenses payable with respect to the unit, and upon payment the
9 encumbrancer shall have a lien on the unit for the amounts paid
10 at the same rank as the lien of his encumbrance.

11 (k) Nothing in Public Act 83-1271 is intended to change the
12 lien priorities of any encumbrance created prior to August 30,
13 1984.

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

15 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

16 Sec. 18.5. Master Associations.

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

25 (b) There shall be included in the declaration, other

1 condominium instruments, or other duly recorded covenants
2 establishing the powers and duties of the master association
3 the provisions set forth in subsections (c) through (h).

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

8 (c) Meetings and finances.

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

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

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

1 proposed annual budget or any increase in the budget, or
2 establishment of an assessment.

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

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

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

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

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

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

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

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

1 agents. For purposes of this subsection, "installment
2 contract" shall have the same meaning as set forth in
3 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 (9) The board of the master association shall have the
5 authority to impose charges for the late payment of a unit
6 owner's share of the common expenses, or any other expenses
7 lawfully agreed upon.

8 (d) Records.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 cancellation.

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

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

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

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

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

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

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

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

1 judgments in which the association is a party.

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

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

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

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

17 (g-1) Notwithstanding any other provision of this Act, the
18 The purchaser of a unit of a master association common interest
19 community at a judicial foreclosure sale, other than a
20 mortgagee, who takes title to possession of a unit of a master
21 association common interest community pursuant to a court order
22 or a purchaser who acquires title from a mortgagee following a
23 judicial foreclosure sale or conveyance of a unit pursuant to a
24 deed in lieu of foreclosure shall have the duty to pay the
25 proportionate share, if any, of the common expenses for the
26 unit, including but not limited to attorneys levied pursuant to

1 subsection (b) of Section 9.2 of this Act, that would have
2 become due in the absence of any ~~assessment~~ acceleration during
3 the 12 ~~6~~ months immediately preceding a judicial foreclosure
4 sale or execution of deed in lieu of foreclosure ~~institution of~~
5 ~~an action to enforce the collection of assessments and the~~
6 ~~court costs incurred by the association in an action to enforce~~
7 ~~the collection that remain unpaid by the owner during whose~~
8 ~~possession the assessments accrued.~~ If the 12 months of common
9 expenses ~~outstanding assessments and the court costs incurred~~
10 ~~by the association in an action to enforce the collection~~ are
11 paid at any time ~~during any action to enforce the collection of~~
12 ~~assessments,~~ the purchaser, other than the mortgagee, shall
13 have no obligation to pay any common expense ~~assessments~~ that
14 accrued before he or she acquired title. The notice of sale of
15 a unit of a common interest community under subsection (c) of
16 Section 15-1507 of the Code of Civil Procedure shall state that
17 the purchaser of the unit other than a mortgagee shall pay the
18 common expenses, including but not limited to attorneys' fees
19 levied pursuant to subsection (b) of Section 9.2 of this Act,
20 ~~assessments and court costs~~ required by this subsection (g-1).

21 (h) Errors and omissions.

22 (1) If there is an omission or error in the declaration
23 or other instrument of the master association, the master
24 association may correct the error or omission by an
25 amendment to the declaration or other instrument, as may be
26 required to conform it to this Act, to any other applicable

1 statute, or to the declaration. The amendment shall be
2 adopted by vote of two-thirds of the members of the board
3 of directors or by a majority vote of the unit owners at a
4 meeting called for that purpose, unless the Act or the
5 declaration of the master association specifically
6 provides for greater percentages or different procedures.

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

1 common areas, the number of votes in the unit owners
2 association or the liability for common expenses
3 appertaining to the unit.

4 (3) If an omission or error or a scrivener's error in
5 the declaration or other instrument is corrected by vote of
6 two-thirds of the members of the board of directors
7 pursuant to the authority established in subdivisions
8 (h) (1) or (h) (2) of this Section, the board, upon written
9 petition by unit owners with 20% of the votes of the
10 association or resolutions adopted by the board of managers
11 or board of directors of the condominium and common
12 interest community associations which select 20% of the
13 members of the board of directors of the master
14 association, whichever is applicable, received within 30
15 days of the board action, shall call a meeting of the unit
16 owners or the boards of the condominium and common interest
17 community associations which select members of the board of
18 directors of the master association within 30 days of the
19 filing of the petition or receipt of the condominium and
20 common interest community association resolution to
21 consider the board action. Unless a majority of the votes
22 of the unit owners of the association are cast at the
23 meeting to reject the action, or board of managers or board
24 of directors of condominium and common interest community
25 associations which select over 50% of the members of the
26 board of the master association adopt resolutions prior to

1 the meeting rejecting the action of the board of directors
2 of the master association, it is ratified whether or not a
3 quorum is present.

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

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

1 the action. Service of process on owners may be by
2 publication, but the plaintiff shall furnish all unit
3 owners not personally served with process with copies of
4 the petition and final judgment of the court by certified
5 mail, return receipt requested, at their last known
6 address.

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

18 (i) The provisions of subsections (c) through (h) are
19 applicable to all declarations, other condominium instruments,
20 and other duly recorded covenants establishing the powers and
21 duties of the master association recorded under this Act. Any
22 portion of a declaration, other condominium instrument, or
23 other duly recorded covenant establishing the powers and duties
24 of a master association which contains provisions contrary to
25 the provisions of subsection (c) through (h) shall be void as
26 against public policy and ineffective. Any declaration, other

1 condominium instrument, or other duly recorded covenant
2 establishing the powers and duties of the master association
3 which fails to contain the provisions required by subsections
4 (c) through (h) shall be deemed to incorporate such provisions
5 by operation of law.

6 (j) (Blank).

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

9 Section 99. Effective date. This Act takes effect July 1,
10 2013.