

1 AN ACT concerning condominium property.

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

4 Section 2. The Code of Civil Procedure is amended by
5 changing Section 15-1507 as follows:

6 (735 ILCS 5/15-1507) (from Ch. 110, par. 15-1507)

7 Sec. 15-1507. Judicial Sale.

8 (a) In General. Except as provided in Sections 15-1402 and
9 15-1403, upon entry of a judgment of foreclosure, the real
10 estate which is the subject of the judgment shall be sold at a
11 judicial sale in accordance with this Section 15-1507.

12 (b) Sale Procedures. Upon expiration of the reinstatement
13 period and the redemption period in accordance with subsection
14 (b) or (c) of Section 15-1603 or upon the entry of a judgment
15 of foreclosure after the waiver of all rights of redemption,
16 except as provided in subsection (g) of Section 15-1506, the
17 real estate shall be sold at a sale as provided in this
18 Article, on such terms and conditions as shall be specified by
19 the court in the judgment of foreclosure. A sale may be
20 conducted by any judge or sheriff.

21 (c) Notice of Sale. The mortgagee, or such other party
22 designated by the court, in a foreclosure under this Article
23 shall give public notice of the sale as follows:

24 (1) The notice of sale shall include at least the
25 following information, but an immaterial error in the
26 information shall not invalidate the legal effect of the
27 notice:

28 (A) the name, address and telephone number of the
29 person to contact for information regarding the real
30 estate;

31 (B) the common address and other common
32 description (other than legal description), if any, of

1 the real estate;

2 (C) a legal description of the real estate
3 sufficient to identify it with reasonable certainty;

4 (D) a description of the improvements on the real
5 estate;

6 (E) the times specified in the judgment, if any,
7 when the real estate may be inspected prior to sale;

8 (F) the time and place of the sale;

9 (G) the terms of the sale;

10 (H) the case title, case number and the court in
11 which the foreclosure was filed; ~~and~~

12 (H-1) in the case of a condominium unit to which
13 subsection (g) of Section 9 of the Condominium Property
14 Act applies, the statement required by subdivision
15 (g) (5) of Section 9 of the Condominium Property Act;
16 and

17 (I) such other information ordered by the Court.

18 (2) The notice of sale shall be published at least 3
19 consecutive calendar weeks (Sunday through Saturday), once
20 in each week, the first such notice to be published not
21 more than 45 days prior to the sale, the last such notice
22 to be published not less than 7 days prior to the sale, by:

23 (i) (A) advertisements in a newspaper circulated to the
24 general public in the county in which the real estate is
25 located, in the section of that newspaper where legal
26 notices are commonly placed and (B) separate
27 advertisements in the section of such a newspaper, which
28 (except in counties with a population in excess of
29 3,000,000) may be the same newspaper, in which real estate
30 other than real estate being sold as part of legal
31 proceedings is commonly advertised to the general public;
32 provided, that the separate advertisements in the real
33 estate section need not include a legal description and
34 that where both advertisements could be published in the
35 same newspaper and that newspaper does not have separate
36 legal notices and real estate advertisement sections, a

1 single advertisement with the legal description shall be
2 sufficient; and (ii) such other publications as may be
3 further ordered by the court.

4 (3) The party who gives notice of public sale in
5 accordance with subsection (c) of Section 15-1507 shall
6 also give notice to all parties in the action who have
7 appeared and have not theretofore been found by the court
8 to be in default for failure to plead. Such notice shall be
9 given in the manner provided in the applicable rules of
10 court for service of papers other than process and
11 complaint, not more than 45 days nor less than 7 days prior
12 to the day of sale. After notice is given as required in
13 this Section a copy thereof shall be filed in the office of
14 the clerk of the court entering the judgment, together with
15 a certificate of counsel or other proof that notice has
16 been served in compliance with this Section.

17 (4) The party who gives notice of public sale in
18 accordance with subsection (c) of Section 15-1507 shall
19 again give notice in accordance with that Section of any
20 adjourned sale; provided, however, that if the adjourned
21 sale is to occur less than 60 days after the last scheduled
22 sale, notice of any adjourned sale need not be given
23 pursuant to this Section. In the event of adjournment, the
24 person conducting the sale shall, upon adjournment,
25 announce the date, time and place upon which the adjourned
26 sale shall be held. Notwithstanding any language to the
27 contrary, for any adjourned sale that is to be conducted
28 more than 60 days after the date on which it was to first
29 be held, the party giving notice of such sale shall again
30 give notice in accordance with this Section.

31 (5) Notice of the sale may be given prior to the
32 expiration of any reinstatement period or redemption
33 period.

34 (6) No other notice by publication or posting shall be
35 necessary unless required by order or rule of the court.

36 (7) The person named in the notice of sale to be

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

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

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

14 (c) Budget and reserves.

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

23 (2) All budgets adopted by a board of managers on or
24 after July 1, 1990 shall provide for reasonable reserves
25 for capital expenditures and deferred maintenance for
26 repair or replacement of the common elements. To determine
27 the amount of reserves appropriate for an association, the
28 board of managers shall take into consideration the
29 following: (i) the repair and replacement cost, and the
30 estimated useful life, of the property which the
31 association is obligated to maintain, including but not
32 limited to structural and mechanical components, surfaces
33 of the buildings and common elements, and energy systems
34 and equipment; (ii) the current and anticipated return on
35 investment of association funds; (iii) any independent
36 professional reserve study which the association may

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

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

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

26 (d) (Blank).

27 (e) The condominium instruments may provide for the
28 assessment, in connection with expenditures for the limited
29 common elements, of only those units to which the limited
30 common elements are assigned.

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

33 (g) Lien.

34 (1) If any unit owner shall fail or refuse to make any
35 payment of the common expenses or the amount of any unpaid
36 fine when due, the amount thereof together with any

1 interest, late charges, reasonable attorney fees incurred
2 enforcing the covenants of the condominium instruments,
3 rules and regulations of the board of managers, or any
4 applicable statute or ordinance, and costs of collections
5 shall constitute a lien on the interest of the unit owner
6 in the property prior to all other liens and encumbrances,
7 recorded or unrecorded, except only (a) taxes, special
8 assessments and special taxes theretofore or thereafter
9 levied by any political subdivision or municipal
10 corporation of this State and other State or federal taxes
11 which by law are a lien on the interest of the unit owner
12 prior to preexisting recorded encumbrances thereon and (b)
13 encumbrances on the interest of the unit owner recorded
14 prior to the date of such failure or refusal which by law
15 would be a lien thereon prior to subsequently recorded
16 encumbrances. Any action brought to extinguish the lien of
17 the association shall include the association as a party.

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

35 (3) The purchaser of a condominium unit at a judicial
36 foreclosure sale, or a mortgagee who receives title to a

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

18 (4) The purchaser of a condominium unit at a judicial
19 foreclosure sale, other than a mortgagee, who takes
20 possession of a condominium unit pursuant to a court order
21 or a purchaser who acquires title from a mortgagee shall
22 have the duty to pay the proportionate share, if any, of
23 the common expenses for the unit which would have become
24 due in the absence of any assessment acceleration during
25 the 6 months immediately preceding institution of an action
26 to enforce the collection of assessments, and which remain
27 unpaid by the owner during whose possession the assessments
28 accrued. If the outstanding assessments are paid at any
29 time during any action to enforce the collection of
30 assessments, the purchaser shall have no obligation to pay
31 any assessments which accrued before he or she acquired
32 title.

33 (5) The notice of sale of a condominium unit under
34 subsection (c) of Section 15-1507 of the Code of Civil
35 Procedure shall state that the purchaser of the unit other
36 than a mortgagee shall pay the assessments and the legal

1 fees required by subdivisions (g) (1) and (g) (4) of Section
2 9 of this Act. The statement of assessment account issued
3 by the association to a unit owner under subsection (i) of
4 Section 18 of this Act, and the disclosure statement issued
5 to a prospective purchaser under Section 22.1 of this Act,
6 shall state the amount of the assessments and the legal
7 fees, if any, required by subdivisions (g) (1) and (g) (4) of
8 Section 9 of this Act.

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

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

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

36 (k) Nothing in Public Act 83-1271 is intended to change the

1 lien priorities of any encumbrance created prior to August 30,
2 1984.

3 (Source: P.A. 91-357, eff. 7-29-99.)