

AN ACT concerning condominium property.

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

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

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

Sec. 15-1507. Judicial Sale.

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

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

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

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

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

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

the real estate;

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

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

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

(F) the time and place of the sale;

(G) the terms of the sale;

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

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

(I) such other information ordered by the Court.

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

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

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

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

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

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

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

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

contacted for information about the real estate may, but shall not be required, to provide additional information other than that set forth in the notice of sale.

(d) Election of Property. If the real estate which is the subject of a judgment of foreclosure is susceptible of division, the court may order it to be sold as necessary to satisfy the judgment. The court shall determine which real estate shall be sold, and the court may determine the order in which separate tracts may be sold.

(e) Receipt upon Sale. Upon and at the sale of mortgaged real estate, the person conducting the sale shall give to the purchaser a receipt of sale. The receipt shall describe the real estate purchased and shall show the amount bid, the amount paid, the total amount paid to date and the amount still to be paid therefor. An additional receipt shall be given at the time of each subsequent payment.

(f) Certificate of Sale. Upon payment in full of the amount bid, the person conducting the sale shall issue, in duplicate, and give to the purchaser a Certificate of Sale. The Certificate of Sale shall be in a recordable form, describe the real estate purchased, indicate the date and place of sale and show the amount paid therefor. The Certificate of Sale shall further indicate that it is subject to confirmation by the court. The duplicate certificate may be recorded in accordance with Section 12-121. The Certificate of Sale shall be freely assignable by endorsement thereon.

(g) Interest after Sale. Any bid at sale shall be deemed to include, without the necessity of a court order, interest at the statutory judgment rate on any unpaid portion of the sale price from the date of sale to the date of payment.

(Source: P.A. 86-974.)

Section 5. The Condominium Property Act is amended by changing Section 9 as follows:

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

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

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

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

(c) Budget and reserves.

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

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

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

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

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

(d) (Blank).

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

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

(g) Lien.

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

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

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

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

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

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

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

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

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

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

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

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

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

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