

# City of Chicago Municipal Code

## Chapter 13-72 CONDOMINIUMS

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13-72-010 Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

"Blanket encumbrance" means a trust deed, mortgage, judgment or other lien on a condominium including any lien or other encumbrance arising as a result of the imposition of any tax assessment by a public authority.

"Board of managers" means the board of managers provided and referred to in the Illinois Condominium Property Act.

"Closing of the sale" means the operation transferring ownership of a condominium unit to the purchaser from the developer.

"Common elements" means all of the condominium except the condominium units. "Common elements" also includes limited common elements.

"Condominium" means a form of property established pursuant to the Illinois Condominium Property Act.

"Condominium project" means the sale of or plan by a developer to sell or the offering for sale of residential condominium units in an existing building or building to be constructed or under construction.

"Condominium unit" or "unit" means a separate three-dimensional area within the condominium identified as such in the declaration and on the condominium plat and shall include all improvements contained within such area except those excluded in the declaration.

"Conversion", "convert", or like words means the offering for sale by a developer or his agent of a condominium unit occupied or rented for any purpose by any person before commencement of a condominium project which includes such unit.

"Declaration" means the declaration referred to in the Illinois Condominium Property Act.

"Developer" means any person who submits property legally or equitably owned by him to the provisions of the Illinois Condominium Property Act including any successor to such developer's entire interest in the property; or any person who offers units legally or equitably owned by him for sale in the ordinary course of his business. "Developer" does not include a corporation owning and operating a cooperative apartment building unless more than six units are to be sold to persons other than current stockholders of the corporation.

"Offering" means any indictment, solicitation, advertisement, publication or announcement by a developer to any person or the general public to encourage a person to purchase a condominium unit in a condominium or prospective condominium.

"Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

"Property report" means the property report required in accordance with Section 13-72-020 of this chapter.

"Prospective purchaser" means a person who visits the condominium project site for the purpose of inspection for possible purchase or who requests the property report. (Prior code 100.2-1)

13-72-020 Contents of property report.

A property report shall contain the following:

A statement indicating name and address of:

The developer and legal and beneficial owner, if different, of the land and improvements, including all general partners of a partnership or principal executive officers and directors of a corporation;

Interim and permanent mortgages or construction lenders secured by a blanket encumbrance;

The principal sales and management agents, attorneys, accountants, architects, engineers and contractors for the project;

A description of all property and improvements including the following:

Map, plat, or architect's drawing showing location and dimensions of the condominium project and the land it occupies together with all improvements, including recreational facilities, proposed construction and present and planned location of streets and driveways;

The share of ownership of each unit in the common elements. The identity of owners of such condominium unit including the percentage of former renters who have purchased or contracted to purchase a condominium unit when the property is a conversion, if known. If such units are owned in trust or by nominees, the beneficiaries or principal shall be named, if known;

A description of all of the common elements in the project including a description of all existing and proposed recreational facilities, and other such facilities with the project. Limited common elements, if any, and their ownership shall also be indicated;

A description of the nature and ownership of all improvements occupying the same zoning lot but which are not part of the condominium;

Location, nature and ownership of easement streets and driveways on or contiguous to the condominium;

The identification of drawings, architectural plans and other suitable documents setting forth the necessary information for location, maintenance and repair of all condominium facilities and equipment, to the extent these documents exist, their location, and times at which they may be inspected;

Projected initiation and completion dates, for proposed construction, renovation and conversion;

A description of limitations upon uses permitted in individual condominium units as contained in the declaration, and bylaws of the condominium association and applicable zoning provisions. Such description shall state whether or under what conditions the condominium units may be rented together by the unit owner;

Statement as to whether a purchaser may purchase more than one unit and under what circumstances or conditions;

Statement of legal ownership, listing all restrictions, notices, lis pendens and encumbrances on record;

Method of timing of transfer of control of the condominium to the board of managers and the nature and extent of any interest retained by the developer thereafter;

A statement disclosing the existence of penalties if the construction, renovation, or conversion or completion date is not met and the additional costs to be imposed upon unit owners if such date is not met;

The nature and extent of any protection of a purchaser if the developer defaults on blanket encumbrances;

A statement of any litigation which would affect the condominium or the developer's ability to convey clear title;

A statement of the current taxes and estimated changes in the tax assessment of the condominium units which buyers may encounter during the first two years;

Copies of the forms of sales documents applicable to the individual units, including but not limited to:

Basic purchase contract form being used by the developer;

Deeds of conveyance;

Deed of trust, mortgage and promissory note, if any;

Statement of sales prices, terms, options and conditions of sale of each unsold unit, including estimated closing and settlement costs and transfer taxes;

Statement of estimated monthly payments for each unit to be itemized as to taxes, utilities, operating costs, assessments, parking, recreational facilities and all other payments in the first year after the projected date of assumption of control by the board of managers;

If financed by the developer, the proposed financing of each unit, including percent of sales price required for down payment, duration of the loan interest rate, service charge, appraisal charge, closing charges, and total monthly payment;

A description of all appliances and personal property included with each unit;

Copies of the following documents:

(a) The declaration and plat. However, prior to the recordation of the declaration, a preliminary declaration and plat may be supplied, provided it is accompanied by a statement in type size and style equal to at least 10 point boldface type as follows:

THE DESCRIPTION OF UNITS AND PERCENTAGE OF OWNERSHIP INTEREST IN COMMON ELEMENTS HEREIN IS PRELIMINARY AND MAY BE CHANGED IN MATERIAL RESPECTS UPON THE RECORDING OF THE DECLARATION AND PLAT.

(b) The articles of incorporation or charter of the condominium association, if any;

(c) The bylaws and regulations of the condominium association;

The description of the following documents:

- (a) Any leases of real or personal property in the condominium expiring later than two years after the first unit is offered for sale;
- (b) Any management contract, employment contract, insurance policy, or other contract affecting the use, maintenance or access of all or parts of the condominium expiring later than two years after the first unit is offered for sale;
- (c) The coverage and amounts of insurance policies applicable to the condominium, maintained by or on behalf of the developer;

A statement of management and expected management costs of the condominium including:

Name of management agent, if any, and the services the agent will perform;

Length of term of any management contract, its costs, and the circumstances if any, under which the charges may be increased;

The conditions, if any, under which the contract may be cancelled or terminated;

A statement stating the relationship between the developer and the management firm and their respective corporate officers and controlling interests, if any;

An estimated operating budget, including the basis on which each item included in such operating budget was formulated for the condominium projected for a period of one year from the expected date that control of the condominium project passes to the board of managers. The operating budget shall include at least the following:

Operating costs

Utilities

Heating fuels

Janitorial services

Trash and garbage disposal

Ground and building maintenance

Security

Maintenance and operation of recreational and other facilities

Building insurance

Elevator maintenance

Sidewalks and street maintenance

Other operating costs

Manage costs

Accounting and bookkeeping services

Legal services

Management fees

Reserve costs

Reserve for improvements

Reserve for unexpected repair work

Reserve for replacement and upkeep of common areas and facilities

Reserve for taxes and special assessments

If no reserve is provided for any one or more of the costs listed herein, the following statement must be inserted in the property report in a type the size and style equal to at least 10 point bold type:

THE DEVELOPER HAS NOT PROVIDED A RESERVE FOR CERTAIN POSSIBLE FUTURE COSTS OF THE CONDOMINIUM IN HIS BUDGET. ACCORDINGLY, IT MAY BE NECESSARY TO PROVIDE FOR A SPECIAL ASSESSMENT TO ALL CONDOMINIUM UNIT OWNERS TO PAY FOR SUCH COSTS SHOULD THEY OCCUR.

Provisions, if any, the developer has made to cover the proposed operations and maintenance budget in the event an insufficient number of units are sold;

If a conversion, a report from a qualified licensed engineer or registered architect describing the condition and expected useful life of the roof, foundation, external and supporting walls, mechanical, electrical, plumbing, heating, and structural elements and all other common facilities, together with an estimate of repair and replacement costs, for those items needing repair or replacement, at current market prices. This report shall include the approximate dates of major repairs to such facilities. There shall be attached to such report (1) a statement of the developer that no notice of violations of the building provisions of the Municipal Code pertaining to the condominium building have been received by the owner or his predecessors for 10 years preceding the property report and its latest amending or (2) a list of all notices of violations of the building provisions of the Municipal Code received, together with a detailed statement of all violations referred to in such notices, for the prior 10 years;

A statement of whether, and under what circumstances, the unit owners are required to be a member of, support or participate financially in recreational facilities, such as but not limited to health clubs, exercise rooms, swimming pools, party rooms and golf putting greens. If any such facility is not part of the common elements, the following warning shall be included in capital letters, in a type size and type equal to at least 10 point bold type:

THE (HERE NAME FACILITIES) ARE NOT INCLUDED IN THE COMMON ELEMENTS. THESE FACILITIES ARE AVAILABLE TO UNIT OWNER FOR (HERE DESCRIBE MONTHLY CHARGE AND INITIATION FEE). UNIT OWNERS ARE/ARE NOT (AS APPLICABLE) REQUIRED TO PARTICIPATE FINANCIALLY.

A description of the location, ownership, and availability to unit owners and the general public of accessory off-street parking associated with the condominium. If all of such parking facilities are not (a) part of the common elements or (b) divided as individual parking space among and designated as being part of the units, the following statement shall be included in a type and size and equal to at least 10 point bold type:

PARKING FACILITIES ASSOCIATED WITH THIS BUILDING ARE NOT OWNED BY THE UNIT OWNERS AND MAY BE SUBJECT TO BEING DENIED TO OR TAKEN FROM UNIT OWNERS.

A statement, if there are any restrictions upon the free sale, transfer, conveyance, encumbrance or leasing of a unit.

THE SALE, LEASE OR TRANSFER OF YOUR UNIT IS RESTRICTED OR CONTROLLED.

Immediately following this statement, there shall appear a reference to the documents, articles, paragraphs, and pages in the property report where the restriction, limitation or control on the sale, lease or transfer of units is set forth or described in detail.

A statement on the first page the following warning in capital letters, in a type size and style equal to at least 10 point bold type:

CITY OF CHICAGO LAW SPECIFICALLY PROHIBITS ANY REPRESENTATION TO THE EFFECT THAT THE CITY HAS PASSED UPON THE MERITS OF OR GIVEN APPROVAL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER ANY REPRESENTATIONS WHICH DIFFER FROM THE STATEMENTS IN THIS PROPERTY REPORT. ORAL REPRESENTATION CANNOT BE RELIED UPON FOR CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER AND ARE NOT BINDING ON THE DEVELOPER. REFER TO THE PROPERTY REPORT FOR BINDING REPRESENTATION.

The signature of the executive officer of the developer and statement affirming that the report and supplements, modifications and amendments are true, full, complete and correct.

The developer shall amend the property report from time to time when any material changes occur in any matter contained in such reports. Amendments shall be made as soon as practicable after such change occurs or the developer has reason to know of such change. Amendments shall be attached to reports subsequently distributed to prospective purchasers and shall be immediately distributed to all persons who have purchased or agreed to purchase condominium units.

Not later than 30 days prior to the recording of the declaration and the plat, the developer shall give notice of any material changes in said declaration and plat as described in the property report to each person who has executed a contract to purchase a unit. (Prior code 100.2-2)

13-72-030 Misrepresentation or omission.

No person shall with the intent that a prospective purchaser rely on such act or omission, advertise, sell or offer for sale any condominium unit by (a) employing any statement or pictorial representation which is false or (b) omitting any material statement or pictorial representation. (Prior code 100.2-3)

13-72-040 Discrimination.

No person shall be denied the right to purchase or lease a unit because of race, religion, sex, sexual preference, marital status or national origin. (Prior code 100.2-4)

13-72-050 Requirements for developer of more than six units.

Not later than the offering for sale of the first unit, a developer of a condominium of more than six units must;

Have a property report available for distribution to each prospective purchaser and for examination by the department. A developer may make a charge, not to exceed \$2.00 for each report so distributed;

Make available for inspection by prospective purchasers copies of all documents that were filed or required to be filed in connection with the condominium project with the recorder of deeds of Cook County;

Keep a receipt signed by each purchaser acknowledging that the person entering a contract to purchase has received and has had an opportunity to review the property report. Such receipts are to be kept on file in the possession of the developer for a period of three years from the date of signature of the purchaser and such receipts are subject to the inspection of the department at any reasonable time.

The board of managers shall keep a copy of the latest property report for seven years following the date of the property report's initial distribution. Upon reasonable notice the property report shall be made available for inspection by any prospective purchaser of a unit from a unit owner. (Prior code 100.2-5)

13-72-060 Notice to tenants of intent to declare submission of property for condominium consideration required.

No less than 120 days prior to recording the declaration to the provisions of the Illinois Condominium Property Act, a developer shall give notice of such intent to record to all persons who are tenants of the building on the property on the date the notice is given.

Any person who was a tenant as of the date of the notice of intent and whose tenancy expires other than for cause prior to the expiration of 120 days from the date on which a copy of the notice of intent was received by the tenant shall have a right to an additional tenancy on the same terms and conditions and for the same rental unit until the expiration of such 120 day period by the giving of written notice thereof to the developer within 30 days of the date upon which a copy of the notice of intent was received by the tenant; provided, that in the case of any tenant who is over 65 years of age, or who is deaf or blind or who is unable to walk without assistance, said tenant shall have the right to an additional tenancy on the same terms and conditions and for the same rental for 180 days following receipt of said notice of intent to record by giving notice as aforesaid.

During the period of 120 days following his receipt of the notice of intent, and during a period of 180 days following his receipt of notice of intent in the case of any person who is over 65 years of age, or who is deaf or blind or who is unable to walk without assistance, any person

who was both a tenant on the date of notice of intent and a current tenant shall have the right of first refusal to purchase his unit. The tenant must exercise the right of first refusal, if at all, by giving notice thereof to the developer prior to the expiration of 30 days from the giving of notice by the developer to the tenant that a contract to purchase the unit has been executed. Each contract for sale of a unit shall conspicuously disclose the existence of, and shall be subject to, such right of first refusal. The statement in the deed conveying the unit to a purchaser to the effect that the tenant of the unit waived or failed to exercise the right of first refusal or had no right of first refusal with respect to the unit shall extinguish any legal or equitable right or interest to the possession or acquisition of the unit which the tenant may have or claim with respect to the unit arising out of the right of first refusal provided for in this section. The forgoing provisions shall not affect any claim which the tenant may have against the developer for damages arising out of the right of first refusal provided in this section, nor shall it affect the penalties provided in Section 13-72-110 hereof.

No occupied unit shall be shown to any purchaser or prospective purchaser for 30 days after notice of intent to record, as provided herein, is given.

Any notice provided for in this section shall be given by a written notice delivered in person or mailed, certified or registered mail, return receipt requested, to the party who is being given the notice. (Prior code 100.2-6)

13-72-070 Participation in recreational facilities not owned in fee by unit owners.

The developer may not require, nor, except as established by the board of managers following assumption of control by unit purchasers, may the condominium bylaws require that a unit owner be a member of or participate in recreational or similar facilities which are not owned in fee by the unit owners or by an association in which they are members, individually or through the board of managers. (Prior code 100.2-7)

#### 13-72-080 Examination of records by unit owners.

No person shall fail to allow unit owners to inspect the financial books and records of the condominium association within ten business days of the time written request for examination of the records is received. (Prior code 100.2-8)

13-72-090 Administration of chapter.

The commissioner of consumer sales, weights and measures shall administer this chapter and may adopt rules and regulations for the effective administration of this chapter (Prior code 100.2-9)

13-72-100 Rights, obligations and remedies.

The rights, obligations and remedies set forth in this chapter shall be cumulative and in addition to any others available at law or in equity. The department or any prospective purchaser, purchaser or owner of a unit may seek compliance of any provision of this chapter, provided, however, that only the department may enforce the provisions of Section 13-72-110. In any action brought to enforce any provision of this chapter except Section 13-72-110 the prevailing plaintiff shall be entitled to recover, in addition to any other remedy available, his reasonable attorney fees. (Prior code 100.2-10)

#### 13-72-110 Penalty for violation.

Any person found guilty of violating any of the provisions of this chapter upon conviction thereof shall be punished by a fine of not less than \$100.00 nor more than \$300.00 for the first offense and not less than \$300.00 nor more than \$500.00 for the second and each subsequent offense in any 180-day period, provided, however, that all actions seeking the imposition of fines only shall be filed as quasi-criminal actions subject to the provisions of the Illinois Civil Practice Act (Illinois Revised Statutes 1975, Ch. 110, Par. 1 et seq.). Repeated offenses in excess of three within any 180-day period may also be punishable as a misdemeanor by incarceration in the county jail for a term not exceed six months under the procedure set forth in Section 1-2-1.1 of the Illinois Municipal Code (Illinois Revised Statutes 1975, Ch. 24, par. 1-2.1) under the provisions of the Illinois Code of Criminal Procedure (Illinois Revised Statutes 1975, Ch. 38, pars. 100-1, et seq.) in a separate proceeding. Each failure to comply with the provisions of this chapter with respect to each person shall be considered a separate offense. A separate and distinct offense shall be regarded as committed each day on which such person shall continue or permit any such violation. In addition to such fines and penalties, violation of any provision of this chapter shall be cause for revocation of any license issued to such violator or offending party by the city of Chicago. Nothing herein shall be construed to preclude the revocation of any license for violation of any other provision of the Municipal Code of Chicago. (Prior code 100.2-11)

13-72-120 Severability.

If any provision, clause, sentence, paragraph, section, or part of this chapter, or application thereof to any person, or circumstance, shall, for any reason, be adjudged to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this chapter and the application of such provision to other persons, firms, corporations, public agencies or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person, firm, corporation, public agency, or circumstances involved. It is hereby declared to be the

legislative intent of the city council that this chapter would have been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof not been included. (Prior code 100.2-12)