



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB2401

by Rep. Elaine Nekritz

SYNOPSIS AS INTRODUCED:

765 ILCS 160/1-30

765 ILCS 605/15

765 ILCS 605/18

from Ch. 30, par. 315

from Ch. 30, par. 318

Amends the Common Interest Community Association Act. Provides that the association shall have one class of voting membership (instead of "one class of membership") unless the declaration, bylaws, or operating agreement provide otherwise. Makes a similar change in the Condominium Property Act. Further amends the Condominium Property Act. Deletes language providing that if the property contains 4 or more units, the owners may agree to sell the property by a vote of 75%. Provides instead that if the property contains at least 4 but not more than 6 units, a vote of 75% of the owners is required to sell the condominium property. Provides that if the property contains 7 or more units, a vote of 85% of the owners is required to sell the condominium property.

LRB100 06983 HEP 17036 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 1-30 as follows:

6 (765 ILCS 160/1-30)

7 Sec. 1-30. Board duties and obligations; records.

8 (a) The board shall meet at least 4 times annually.

9 (b) A common interest community association may not enter
10 into a contract with a current board member, or with a
11 corporation, limited liability company, or partnership in
12 which a board member or a member of his or her immediate family
13 has 25% or more interest, unless notice of intent to enter into
14 the contract is given to members within 20 days after a
15 decision is made to enter into the contract and the members are
16 afforded an opportunity by filing a petition, signed by 20% of
17 the membership, for an election to approve or disapprove the
18 contract; such petition shall be filed within 20 days after
19 such notice and such election shall be held within 30 days
20 after filing the petition. For purposes of this subsection, a
21 board member's immediate family means the board member's
22 spouse, parents, siblings, and children.

23 (c) The bylaws or operating agreement shall provide for the

1 maintenance, repair, and replacement of the common areas and
2 payments therefor, including the method of approving payment
3 vouchers.

4 (d) (Blank).

5 (e) The association may engage the services of a manager or
6 management company.

7 (f) The association shall have one class of voting
8 membership unless the declaration, bylaws, or operating
9 agreement provide otherwise; however, this subsection (f)
10 shall not be construed to limit the operation of subsection (c)
11 of Section 1-20 of this Act.

12 (g) The board shall have the power, after notice and an
13 opportunity to be heard, to levy and collect reasonable fines
14 from members or unit owners for violations of the declaration,
15 bylaws, operating agreement, and rules and regulations of the
16 common interest community association.

17 (h) Other than attorney's fees and court or arbitration
18 costs, no fees pertaining to the collection of a member's or
19 unit owner's financial obligation to the association,
20 including fees charged by a manager or managing agent, shall be
21 added to and deemed a part of a member's or unit owner's
22 respective share of the common expenses unless: (i) the
23 managing agent fees relate to the costs to collect common
24 expenses for the association; (ii) the fees are set forth in a
25 contract between the managing agent and the association; and
26 (iii) the authority to add the management fees to a member's or

1 unit owner's respective share of the common expenses is
2 specifically stated in the declaration, bylaws, or operating
3 agreement of the association.

4 (i) Board records.

5 (1) The board shall maintain the following records of
6 the association and make them available for examination and
7 copying at convenient hours of weekdays by any member or
8 unit owner in a common interest community subject to the
9 authority of the board, their mortgagees, and their duly
10 authorized agents or attorneys:

11 (i) Copies of the recorded declaration, other
12 community instruments, other duly recorded covenants
13 and bylaws and any amendments, articles of
14 incorporation, articles of organization, annual
15 reports, and any rules and regulations adopted by the
16 board shall be available. Prior to the organization of
17 the board, the developer shall maintain and make
18 available the records set forth in this paragraph (i)
19 for examination and copying.

20 (ii) Detailed and accurate records in
21 chronological order of the receipts and expenditures
22 affecting the common areas, specifying and itemizing
23 the maintenance and repair expenses of the common areas
24 and any other expenses incurred, and copies of all
25 contracts, leases, or other agreements entered into by
26 the board shall be maintained.

1 (iii) The minutes of all meetings of the board
2 which shall be maintained for not less than 7 years.

3 (iv) With a written statement of a proper purpose,
4 ballots and proxies related thereto, if any, for any
5 election held for the board and for any other matters
6 voted on by the members, which shall be maintained for
7 not less than one year.

8 (v) With a written statement of a proper purpose,
9 such other records of the board as are available for
10 inspection by members of a not-for-profit corporation
11 pursuant to Section 107.75 of the General Not For
12 Profit Corporation Act of 1986 shall be maintained.

13 (vi) With respect to units owned by a land trust, a
14 living trust, or other legal entity, the trustee,
15 officer, or manager of the entity may designate, in
16 writing, a person to cast votes on behalf of the member
17 or unit owner and a designation shall remain in effect
18 until a subsequent document is filed with the
19 association.

20 (2) Where a request for records under this subsection
21 is made in writing to the board or its agent, failure to
22 provide the requested record or to respond within 30 days
23 shall be deemed a denial by the board.

24 (3) A reasonable fee may be charged by the board for
25 the cost of retrieving and copying records properly
26 requested.

1 (4) If the board fails to provide records properly
2 requested under paragraph (1) of this subsection (i) within
3 the time period provided in that paragraph (1), the member
4 may seek appropriate relief and shall be entitled to an
5 award of reasonable attorney's fees and costs if the member
6 prevails and the court finds that such failure is due to
7 the acts or omissions of the board of managers or the board
8 of directors.

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

13 (Source: P.A. 98-232, eff. 1-1-14; 98-241, eff. 8-9-13; 98-756,
14 eff. 7-16-14; 99-41, eff. 7-14-15.)

15 Section 10. The Condominium Property Act is amended by
16 changing Sections 15 and 18 as follows:

17 (765 ILCS 605/15) (from Ch. 30, par. 315)

18 Sec. 15. Sale of property.

19 (a) Unless a greater percentage is provided for in the
20 declaration or bylaws, and notwithstanding the provisions of
21 Sections 13 and 14 hereof, a majority of the unit owners if
22 ~~where~~ the property contains 2 units, or not less than 66 2/3%
23 if ~~where~~ the property contains 3 ~~three~~ units, or ~~and~~ not less
24 than 75% if ~~where~~ the property contains at least 4 but not more

1 than 6 units, or not less than 85% if the property contains 7
2 or more units, ~~4 or more units~~ may, by affirmative vote at a
3 meeting of unit owners duly called for such purpose, elect to
4 sell the property. Such action shall be binding upon all unit
5 owners, and it shall thereupon become the duty of every unit
6 owner to execute and deliver such instruments and to perform
7 all acts as in manner and form may be necessary to effect such
8 sale, provided, however, that any unit owner who did not vote
9 in favor of such action and who has filed written objection
10 thereto with the manager or board of managers within 20 days
11 after the date of the meeting at which such sale was approved
12 shall be entitled to receive from the proceeds of such sale an
13 amount equivalent to the value of his interest, as determined
14 by a fair appraisal, less the amount of any unpaid assessments
15 or charges due and owing from such unit owner.

16 (b) If there is a disagreement as to the value of the
17 interest of a unit owner who did not vote in favor of the sale
18 of the property, that unit owner shall have a right to
19 designate an expert in appraisal or property valuation to
20 represent him, in which case, the prospective purchaser of the
21 property shall designate an expert in appraisal or property
22 valuation to represent him, and both of these experts shall
23 mutually designate a third expert in appraisal or property
24 valuation. The 3 experts shall constitute a panel to determine
25 by vote of at least 2 of the members of the panel, the value of
26 that unit owner's interest in the property.

1 (Source: P.A. 86-1156.)

2 (765 ILCS 605/18) (from Ch. 30, par. 318)

3 Sec. 18. Contents of bylaws. The bylaws shall provide for
4 at least the following:

5 (a) (1) The election from among the unit owners of a
6 board of managers, the number of persons constituting such
7 board, and that the terms of at least one-third of the
8 members of the board shall expire annually and that all
9 members of the board shall be elected at large; if there
10 are multiple owners of a single unit, only one of the
11 multiple owners shall be eligible to serve as a member of
12 the board at any one time;

13 (2) the powers and duties of the board;

14 (3) the compensation, if any, of the members of the
15 board;

16 (4) the method of removal from office of members of the
17 board;

18 (5) that the board may engage the services of a manager
19 or managing agent;

20 (6) that each unit owner shall receive, at least 25
21 days prior to the adoption thereof by the board of
22 managers, a copy of the proposed annual budget together
23 with an indication of which portions are intended for
24 reserves, capital expenditures or repairs or payment of
25 real estate taxes;

1 (7) that the board of managers shall annually supply to
2 all unit owners an itemized accounting of the common
3 expenses for the preceding year actually incurred or paid,
4 together with an indication of which portions were for
5 reserves, capital expenditures or repairs or payment of
6 real estate taxes and with a tabulation of the amounts
7 collected pursuant to the budget or assessment, and showing
8 the net excess or deficit of income over expenditures plus
9 reserves;

10 (8) (i) that each unit owner shall receive notice, in
11 the same manner as is provided in this Act for membership
12 meetings, of any meeting of the board of managers
13 concerning the adoption of the proposed annual budget and
14 regular assessments pursuant thereto or to adopt a separate
15 (special) assessment, (ii) that except as provided in
16 subsection (iv) below, if an adopted budget or any separate
17 assessment adopted by the board would result in the sum of
18 all regular and separate assessments payable in the current
19 fiscal year exceeding 115% of the sum of all regular and
20 separate assessments payable during the preceding fiscal
21 year, the board of managers, upon written petition by unit
22 owners with 20 percent of the votes of the association
23 delivered to the board within 14 days of the board action,
24 shall call a meeting of the unit owners within 30 days of
25 the date of delivery of the petition to consider the budget
26 or separate assessment; unless a majority of the total

1 votes of the unit owners are cast at the meeting to reject
2 the budget or separate assessment, it is ratified, (iii)
3 that any common expense not set forth in the budget or any
4 increase in assessments over the amount adopted in the
5 budget shall be separately assessed against all unit
6 owners, (iv) that separate assessments for expenditures
7 relating to emergencies or mandated by law may be adopted
8 by the board of managers without being subject to unit
9 owner approval or the provisions of item (ii) above or item
10 (v) below. As used herein, "emergency" means an immediate
11 danger to the structural integrity of the common elements
12 or to the life, health, safety or property of the unit
13 owners, (v) that assessments for additions and alterations
14 to the common elements or to association-owned property not
15 included in the adopted annual budget, shall be separately
16 assessed and are subject to approval of two-thirds of the
17 total votes of all unit owners, (vi) that the board of
18 managers may adopt separate assessments payable over more
19 than one fiscal year. With respect to multi-year
20 assessments not governed by items (iv) and (v), the entire
21 amount of the multi-year assessment shall be deemed
22 considered and authorized in the first fiscal year in which
23 the assessment is approved;

24 (9) (A) that every meeting of the board of managers
25 shall be open to any unit owner, except that the board may
26 close any portion of a noticed meeting or meet separately

1 from a noticed meeting to: (i) discuss litigation when an
2 action against or on behalf of the particular association
3 has been filed and is pending in a court or administrative
4 tribunal, or when the board of managers finds that such an
5 action is probable or imminent, (ii) discuss the
6 appointment, employment, engagement, or dismissal of an
7 employee, independent contractor, agent, or other provider
8 of goods and services, (iii) interview a potential
9 employee, independent contractor, agent, or other provider
10 of goods and services, (iv) discuss violations of rules and
11 regulations of the association, (v) discuss a unit owner's
12 unpaid share of common expenses, or (vi) consult with the
13 association's legal counsel; that any vote on these matters
14 shall take place at a meeting of the board of managers or
15 portion thereof open to any unit owner;

16 (B) that board members may participate in and act at
17 any meeting of the board of managers in person, by
18 telephonic means, or by use of any acceptable technological
19 means whereby all persons participating in the meeting can
20 communicate with each other; that participation
21 constitutes attendance and presence in person at the
22 meeting;

23 (C) that any unit owner may record the proceedings at
24 meetings of the board of managers or portions thereof
25 required to be open by this Act by tape, film or other
26 means, and that the board may prescribe reasonable rules

1 and regulations to govern the right to make such
2 recordings;

3 (D) that notice of every meeting of the board of
4 managers shall be given to every board member at least 48
5 hours prior thereto, unless the board member waives notice
6 of the meeting pursuant to subsection (a) of Section 18.8;
7 and

8 (E) that notice of every meeting of the board of
9 managers shall be posted in entranceways, elevators, or
10 other conspicuous places in the condominium at least 48
11 hours prior to the meeting of the board of managers except
12 where there is no common entranceway for 7 or more units,
13 the board of managers may designate one or more locations
14 in the proximity of these units where the notices of
15 meetings shall be posted; that notice of every meeting of
16 the board of managers shall also be given at least 48 hours
17 prior to the meeting, or such longer notice as this Act may
18 separately require, to: (i) each unit owner who has
19 provided the association with written authorization to
20 conduct business by acceptable technological means, and
21 (ii) to the extent that the condominium instruments of an
22 association require, to each other unit owner, as required
23 by subsection (f) of Section 18.8, by mail or delivery, and
24 that no other notice of a meeting of the board of managers
25 need be given to any unit owner;

26 (10) that the board shall meet at least 4 times

1 annually;

2 (11) that no member of the board or officer shall be
3 elected for a term of more than 2 years, but that officers
4 and board members may succeed themselves;

5 (12) the designation of an officer to mail and receive
6 all notices and execute amendments to condominium
7 instruments as provided for in this Act and in the
8 condominium instruments;

9 (13) the method of filling vacancies on the board which
10 shall include authority for the remaining members of the
11 board to fill the vacancy by two-thirds vote until the next
12 annual meeting of unit owners or for a period terminating
13 no later than 30 days following the filing of a petition
14 signed by unit owners holding 20% of the votes of the
15 association requesting a meeting of the unit owners to fill
16 the vacancy for the balance of the term, and that a meeting
17 of the unit owners shall be called for purposes of filling
18 a vacancy on the board no later than 30 days following the
19 filing of a petition signed by unit owners holding 20% of
20 the votes of the association requesting such a meeting, and
21 the method of filling vacancies among the officers that
22 shall include the authority for the members of the board to
23 fill the vacancy for the unexpired portion of the term;

24 (14) what percentage of the board of managers, if other
25 than a majority, shall constitute a quorum;

26 (15) provisions concerning notice of board meetings to

1 members of the board;

2 (16) the board of managers may not enter into a
3 contract with a current board member or with a corporation
4 or partnership in which a board member or a member of the
5 board member's immediate family has 25% or more interest,
6 unless notice of intent to enter the contract is given to
7 unit owners within 20 days after a decision is made to
8 enter into the contract and the unit owners are afforded an
9 opportunity by filing a petition, signed by 20% of the unit
10 owners, for an election to approve or disapprove the
11 contract; such petition shall be filed within 20 days after
12 such notice and such election shall be held within 30 days
13 after filing the petition; for purposes of this subsection,
14 a board member's immediate family means the board member's
15 spouse, parents, and children;

16 (17) that the board of managers may disseminate to unit
17 owners biographical and background information about
18 candidates for election to the board if (i) reasonable
19 efforts to identify all candidates are made and all
20 candidates are given an opportunity to include
21 biographical and background information in the information
22 to be disseminated; and (ii) the board does not express a
23 preference in favor of any candidate;

24 (18) any proxy distributed for board elections by the
25 board of managers gives unit owners the opportunity to
26 designate any person as the proxy holder, and gives the

1 unit owner the opportunity to express a preference for any
2 of the known candidates for the board or to write in a
3 name;

4 (19) that special meetings of the board of managers can
5 be called by the president or 25% of the members of the
6 board;

7 (20) that the board of managers may establish and
8 maintain a system of master metering of public utility
9 services and collect payments in connection therewith,
10 subject to the requirements of the Tenant Utility Payment
11 Disclosure Act; and

12 (21) that the board may ratify and confirm actions of
13 the members of the board taken in response to an emergency,
14 as that term is defined in subdivision (a) (8) (iv) of this
15 Section; that the board shall give notice to the unit
16 owners of: (i) the occurrence of the emergency event within
17 7 business days after the emergency event, and (ii) the
18 general description of the actions taken to address the
19 event within 7 days after the emergency event.

20 The intent of the provisions of Public Act 99-472
21 adding this paragraph (21) is to empower and support boards
22 to act in emergencies.

23 (b) (1) What percentage of the unit owners, if other
24 than 20%, shall constitute a quorum provided that, for
25 condominiums with 20 or more units, the percentage of unit
26 owners constituting a quorum shall be 20% unless the unit

1 owners holding a majority of the percentage interest in the
2 association provide for a higher percentage, provided that
3 in voting on amendments to the association's bylaws, a unit
4 owner who is in arrears on the unit owner's regular or
5 separate assessments for 60 days or more, shall not be
6 counted for purposes of determining if a quorum is present,
7 but that unit owner retains the right to vote on amendments
8 to the association's bylaws;

9 (2) that the association shall have one class of voting
10 membership;

11 (3) that the members shall hold an annual meeting, one
12 of the purposes of which shall be to elect members of the
13 board of managers;

14 (4) the method of calling meetings of the unit owners;

15 (5) that special meetings of the members can be called
16 by the president, board of managers, or by 20% of unit
17 owners;

18 (6) that written notice of any membership meeting shall
19 be mailed or delivered giving members no less than 10 and
20 no more than 30 days notice of the time, place and purpose
21 of such meeting except that notice may be sent, to the
22 extent the condominium instruments or rules adopted
23 thereunder expressly so provide, by electronic
24 transmission consented to by the unit owner to whom the
25 notice is given, provided the director and officer or his
26 agent certifies in writing to the delivery by electronic

1 transmission;

2 (7) that voting shall be on a percentage basis, and
3 that the percentage vote to which each unit is entitled is
4 the percentage interest of the undivided ownership of the
5 common elements appurtenant thereto, provided that the
6 bylaws may provide for approval by unit owners in
7 connection with matters where the requisite approval on a
8 percentage basis is not specified in this Act, on the basis
9 of one vote per unit;

10 (8) that, where there is more than one owner of a unit,
11 if only one of the multiple owners is present at a meeting
12 of the association, he is entitled to cast all the votes
13 allocated to that unit, if more than one of the multiple
14 owners are present, the votes allocated to that unit may be
15 cast only in accordance with the agreement of a majority in
16 interest of the multiple owners, unless the declaration
17 expressly provides otherwise, that there is majority
18 agreement if any one of the multiple owners cast the votes
19 allocated to that unit without protest being made promptly
20 to the person presiding over the meeting by any of the
21 other owners of the unit;

22 (9) (A) except as provided in subparagraph (B) of this
23 paragraph (9) in connection with board elections, that a
24 unit owner may vote by proxy executed in writing by the
25 unit owner or by his duly authorized attorney in fact; that
26 the proxy must bear the date of execution and, unless the

1 condominium instruments or the written proxy itself
2 provide otherwise, is invalid after 11 months from the date
3 of its execution; to the extent the condominium instruments
4 or rules adopted thereunder expressly so provide, a vote or
5 proxy may be submitted by electronic transmission,
6 provided that any such electronic transmission shall
7 either set forth or be submitted with information from
8 which it can be determined that the electronic transmission
9 was authorized by the unit owner or the unit owner's proxy;

10 (B) that if a rule adopted at least 120 days before a
11 board election or the declaration or bylaws provide for
12 balloting as set forth in this subsection, unit owners may
13 not vote by proxy in board elections, but may vote only (i)
14 by submitting an association-issued ballot in person at the
15 election meeting or (ii) by submitting an
16 association-issued ballot to the association or its
17 designated agent by mail or other means of delivery
18 specified in the declaration, bylaws, or rule; that the
19 ballots shall be mailed or otherwise distributed to unit
20 owners not less than 10 and not more than 30 days before
21 the election meeting, and the board shall give unit owners
22 not less than 21 days' prior written notice of the deadline
23 for inclusion of a candidate's name on the ballots; that
24 the deadline shall be no more than 7 days before the
25 ballots are mailed or otherwise distributed to unit owners;
26 that every such ballot must include the names of all

1 candidates who have given the board or its authorized agent
2 timely written notice of their candidacy and must give the
3 person casting the ballot the opportunity to cast votes for
4 candidates whose names do not appear on the ballot; that a
5 ballot received by the association or its designated agent
6 after the close of voting shall not be counted; that a unit
7 owner who submits a ballot by mail or other means of
8 delivery specified in the declaration, bylaws, or rule may
9 request and cast a ballot in person at the election
10 meeting, and thereby void any ballot previously submitted
11 by that unit owner;

12 (B-5) that if a rule adopted at least 120 days before a
13 board election or the declaration or bylaws provide for
14 balloting as set forth in this subparagraph, unit owners
15 may not vote by proxy in board elections, but may vote only
16 (i) by submitting an association-issued ballot in person at
17 the election meeting; or (ii) by any acceptable
18 technological means as defined in Section 2 of this Act;
19 instructions regarding the use of electronic means for
20 voting shall be distributed to all unit owners not less
21 than 10 and not more than 30 days before the election
22 meeting, and the board shall give unit owners not less than
23 21 days' prior written notice of the deadline for inclusion
24 of a candidate's name on the ballots; the deadline shall be
25 no more than 7 days before the instructions for voting
26 using electronic or acceptable technological means is

1 distributed to unit owners; every instruction notice must
2 include the names of all candidates who have given the
3 board or its authorized agent timely written notice of
4 their candidacy and must give the person voting through
5 electronic or acceptable technological means the
6 opportunity to cast votes for candidates whose names do not
7 appear on the ballot; a unit owner who submits a vote using
8 electronic or acceptable technological means may request
9 and cast a ballot in person at the election meeting,
10 thereby voiding any vote previously submitted by that unit
11 owner;

12 (C) that if a written petition by unit owners with at
13 least 20% of the votes of the association is delivered to
14 the board within 14 days after the board's approval of a
15 rule adopted pursuant to subparagraph (B) or subparagraph
16 (B-5) of this paragraph (9), the board shall call a meeting
17 of the unit owners within 30 days after the date of
18 delivery of the petition; that unless a majority of the
19 total votes of the unit owners are cast at the meeting to
20 reject the rule, the rule is ratified;

21 (D) that votes cast by ballot under subparagraph (B) or
22 electronic or acceptable technological means under
23 subparagraph (B-5) of this paragraph (9) are valid for the
24 purpose of establishing a quorum;

25 (10) that the association may, upon adoption of the
26 appropriate rules by the board of managers, conduct

1 elections by secret ballot whereby the voting ballot is
2 marked only with the percentage interest for the unit and
3 the vote itself, provided that the board further adopt
4 rules to verify the status of the unit owner issuing a
5 proxy or casting a ballot; and further, that a candidate
6 for election to the board of managers or such candidate's
7 representative shall have the right to be present at the
8 counting of ballots at such election;

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

1 Contract Act;

2 (12) the method by which matters subject to the
3 approval of unit owners set forth in this Act, or in the
4 condominium instruments, will be submitted to the unit
5 owners at special membership meetings called for such
6 purposes; and

7 (13) that matters subject to the affirmative vote of
8 not less than 2/3 of the votes of unit owners at a meeting
9 duly called for that purpose, shall include, but not be
10 limited to:

11 (i) merger or consolidation of the association;

12 (ii) sale, lease, exchange, or other disposition
13 (excluding the mortgage or pledge) of all, or
14 substantially all of the property and assets of the
15 association; and

16 (iii) the purchase or sale of land or of units on
17 behalf of all unit owners.

18 (c) Election of a president from among the board of
19 managers, who shall preside over the meetings of the board
20 of managers and of the unit owners.

21 (d) Election of a secretary from among the board of
22 managers, who shall keep the minutes of all meetings of the
23 board of managers and of the unit owners and who shall, in
24 general, perform all the duties incident to the office of
25 secretary.

26 (e) Election of a treasurer from among the board of

1 managers, who shall keep the financial records and books of
2 account.

3 (f) Maintenance, repair and replacement of the common
4 elements and payments therefor, including the method of
5 approving payment vouchers.

6 (g) An association with 30 or more units shall obtain
7 and maintain fidelity insurance covering persons who
8 control or disburse funds of the association for the
9 maximum amount of coverage available to protect funds in
10 the custody or control of the association plus the
11 association reserve fund. All management companies which
12 are responsible for the funds held or administered by the
13 association shall maintain and furnish to the association a
14 fidelity bond for the maximum amount of coverage available
15 to protect funds in the custody of the management company
16 at any time. The association shall bear the cost of the
17 fidelity insurance and fidelity bond, unless otherwise
18 provided by contract between the association and a
19 management company. The association shall be the direct
20 obligee of any such fidelity bond. A management company
21 holding reserve funds of an association shall at all times
22 maintain a separate account for each association,
23 provided, however, that for investment purposes, the Board
24 of Managers of an association may authorize a management
25 company to maintain the association's reserve funds in a
26 single interest bearing account with similar funds of other

1 associations. The management company shall at all times
2 maintain records identifying all moneys of each
3 association in such investment account. The management
4 company may hold all operating funds of associations which
5 it manages in a single operating account but shall at all
6 times maintain records identifying all moneys of each
7 association in such operating account. Such operating and
8 reserve funds held by the management company for the
9 association shall not be subject to attachment by any
10 creditor of the management company.

11 For the purpose of this subsection, a management
12 company shall be defined as a person, partnership,
13 corporation, or other legal entity entitled to transact
14 business on behalf of others, acting on behalf of or as an
15 agent for a unit owner, unit owners or association of unit
16 owners for the purpose of carrying out the duties,
17 responsibilities, and other obligations necessary for the
18 day to day operation and management of any property subject
19 to this Act. For purposes of this subsection, the term
20 "fiduciary insurance coverage" shall be defined as both a
21 fidelity bond and directors and officers liability
22 coverage, the fidelity bond in the full amount of
23 association funds and association reserves that will be in
24 the custody of the association, and the directors and
25 officers liability coverage at a level as shall be
26 determined to be reasonable by the board of managers, if

1 not otherwise established by the declaration or by laws.

2 Until one year after September 21, 1985 (the effective
3 date of Public Act 84-722), if a condominium association
4 has reserves plus assessments in excess of \$250,000 and
5 cannot reasonably obtain 100% fidelity bond coverage for
6 such amount, then it must obtain a fidelity bond coverage
7 of \$250,000.

8 (h) Method of estimating the amount of the annual
9 budget, and the manner of assessing and collecting from the
10 unit owners their respective shares of such estimated
11 expenses, and of any other expenses lawfully agreed upon.

12 (i) That upon 10 days notice to the manager or board of
13 managers and payment of a reasonable fee, any unit owner
14 shall be furnished a statement of his account setting forth
15 the amount of any unpaid assessments or other charges due
16 and owing from such owner.

17 (j) Designation and removal of personnel necessary for
18 the maintenance, repair and replacement of the common
19 elements.

20 (k) Such restrictions on and requirements respecting
21 the use and maintenance of the units and the use of the
22 common elements, not set forth in the declaration, as are
23 designed to prevent unreasonable interference with the use
24 of their respective units and of the common elements by the
25 several unit owners.

26 (l) Method of adopting and of amending administrative

1 rules and regulations governing the operation and use of
2 the common elements.

3 (m) The percentage of votes required to modify or amend
4 the bylaws, but each one of the particulars set forth in
5 this section shall always be embodied in the bylaws.

6 (n) (i) The provisions of this Act, the declaration,
7 bylaws, other condominium instruments, and rules and
8 regulations that relate to the use of the individual unit
9 or the common elements shall be applicable to any person
10 leasing a unit and shall be deemed to be incorporated in
11 any lease executed or renewed on or after August 30, 1984
12 (the effective date of Public Act 83-1271).

13 (ii) With regard to any lease entered into subsequent
14 to July 1, 1990 (the effective date of Public Act 86-991),
15 the unit owner leasing the unit shall deliver a copy of the
16 signed lease to the board or if the lease is oral, a
17 memorandum of the lease, not later than the date of
18 occupancy or 10 days after the lease is signed, whichever
19 occurs first. In addition to any other remedies, by filing
20 an action jointly against the tenant and the unit owner, an
21 association may seek to enjoin a tenant from occupying a
22 unit or seek to evict a tenant under the provisions of
23 Article IX of the Code of Civil Procedure for failure of
24 the lessor-owner to comply with the leasing requirements
25 prescribed by this Section or by the declaration, bylaws,
26 and rules and regulations. The board of managers may

1 proceed directly against a tenant, at law or in equity, or
2 under the provisions of Article IX of the Code of Civil
3 Procedure, for any other breach by tenant of any covenants,
4 rules, regulations or bylaws.

5 (o) The association shall have no authority to forbear
6 the payment of assessments by any unit owner.

7 (p) That when 30% or fewer of the units, by number,
8 possess over 50% in the aggregate of the votes in the
9 association, any percentage vote of members specified
10 herein or in the condominium instruments shall require the
11 specified percentage by number of units rather than by
12 percentage of interest in the common elements allocated to
13 units that would otherwise be applicable and garage units
14 or storage units, or both, shall have, in total, no more
15 votes than their aggregate percentage of ownership in the
16 common elements; this shall mean that if garage units or
17 storage units, or both, are to be given a vote, or portion
18 of a vote, that the association must add the total number
19 of votes cast of garage units, storage units, or both, and
20 divide the total by the number of garage units, storage
21 units, or both, and multiply by the aggregate percentage of
22 ownership of garage units and storage units to determine
23 the vote, or portion of a vote, that garage units or
24 storage units, or both, have. For purposes of this
25 subsection (p), when making a determination of whether 30%
26 or fewer of the units, by number, possess over 50% in the

1 aggregate of the votes in the association, a unit shall not
2 include a garage unit or a storage unit.

3 (q) That a unit owner may not assign, delegate,
4 transfer, surrender, or avoid the duties,
5 responsibilities, and liabilities of a unit owner under
6 this Act, the condominium instruments, or the rules and
7 regulations of the Association; and that such an attempted
8 assignment, delegation, transfer, surrender, or avoidance
9 shall be deemed void.

10 The provisions of this Section are applicable to all
11 condominium instruments recorded under this Act. Any portion of
12 a condominium instrument which contains provisions contrary to
13 these provisions shall be void as against public policy and
14 ineffective. Any such instrument which fails to contain the
15 provisions required by this Section shall be deemed to
16 incorporate such provisions by operation of law.

17 (Source: P.A. 98-1042, eff. 1-1-15; 99-472, eff. 6-1-16;
18 99-567, eff. 1-1-17; 99-642, eff. 7-28-16.)