



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3040

Introduced 2/7/2014, by Sen. Kwame Raoul

SYNOPSIS AS INTRODUCED:

765 ILCS 160/1-5	
765 ILCS 160/1-25	
765 ILCS 160/1-75	
765 ILCS 160/1-85 new	
765 ILCS 605/2	from Ch. 30, par. 302
765 ILCS 605/18	from Ch. 30, par. 318
765 ILCS 605/18.8 new	

Amends the Common Interest Community Association Act and the Condominium Property Act. Defines "acceptable technological means" and "electronic transmission". Provides that "prescribed delivery method" includes electronic transmission. Provides that electronic votes are valid for the purpose of establishing a quorum. Provides that an association may conduct elections by electronic or acceptable technological means and adds provisions concerning the procedure for conducting such elections. Deletes provisions concerning secret ballots. Provides that, with exceptions, any notice required to be sent or received or signature, vote, consent, or approval required to be obtained may be accomplished using the most advanced technology available at that time. Provides that a verifiable electronic signature satisfies any requirement for a signature. Provides that no action need be acknowledged before a notary public if the identity and signature of the person can otherwise be authenticated to the satisfaction of the board of directors. Provides that if a person does not have the capability or desire to conduct business using electronic transmission or other equivalent technological means, the common interest community association shall make reasonable accommodation, at its expense, for the person to conduct business with the association without the use of electronic or other means. Provides that certain common interest community associations having 10 units or less (instead of "either (i) 10 units or less or (ii) annual budgeted assessments of \$100,000 or less") are exempt from the Common Interest Community Association Act.

LRB098 17495 HEP 52602 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 Sections 1-5, 1-25, and 1-75 and by adding
6 Section 1-85 as follows:

7 (765 ILCS 160/1-5)

8 Sec. 1-5. Definitions. As used in this Act, unless the
9 context otherwise requires:

10 "Acceptable technological means" includes, without
11 limitation, electronic transmission over the Internet or other
12 network, whether by direct connection, intranet, telecopier,
13 or electronic mail.

14 "Association" or "common interest community association"
15 means the association of all the members of a common interest
16 community, acting pursuant to bylaws through its duly elected
17 board of managers or board of directors.

18 "Board" means a common interest community association's
19 board of managers or board of directors, whichever is
20 applicable.

21 "Board member" or "member of the board" means a member of
22 the board of managers or the board of directors, whichever is
23 applicable.

1 "Board of directors" means, for a common interest community
2 that has been incorporated as an Illinois not-for-profit
3 corporation, the group of people elected by the members of a
4 common interest community as the governing body to exercise for
5 the members of the common interest community association all
6 powers, duties, and authority vested in the board of directors
7 under this Act and the common interest community association's
8 declaration and bylaws.

9 "Board of managers" means, for a common interest community
10 that is an unincorporated association, the group of people
11 elected by the members of a common interest community as the
12 governing body to exercise for the members of the common
13 interest community association all powers, duties, and
14 authority vested in the board of managers under this Act and
15 the common interest community association's declaration and
16 bylaws.

17 "Building" means all structures, attached or unattached,
18 containing one or more units.

19 "Common areas" means the portion of the property other than
20 a unit.

21 "Common expenses" means the proposed or actual expenses
22 affecting the property, including reserves, if any, lawfully
23 assessed by the common interest community association.

24 "Common interest community" means real estate other than a
25 condominium or cooperative with respect to which any person by
26 virtue of his or her ownership of a partial interest or a unit

1 therein is obligated to pay for the maintenance, improvement,
2 insurance premiums or real estate taxes of common areas
3 described in a declaration which is administered by an
4 association. "Common interest community" may include, but not
5 be limited to, an attached or detached townhome, villa, or
6 single-family home. A "common interest community" does not
7 include a master association.

8 "Community instruments" means all documents and authorized
9 amendments thereto recorded by a developer or common interest
10 community association, including, but not limited to, the
11 declaration, bylaws, plat of survey, and rules and regulations.

12 "Declaration" means any duly recorded instruments, however
13 designated, that have created a common interest community and
14 any duly recorded amendments to those instruments.

15 "Developer" means any person who submits property legally
16 or equitably owned in fee simple by the person to the
17 provisions of this Act, or any person who offers units legally
18 or equitably owned in fee simple by the person for sale in the
19 ordinary course of such person's business, including any
20 successor to such person's entire interest in the property
21 other than the purchaser of an individual unit.

22 "Developer control" means such control at a time prior to
23 the election of the board of the common interest community
24 association by a majority of the members other than the
25 developer.

26 "Electronic transmission" means any form of communication,

1 not directly involving the physical transmission of paper, that
2 creates a record that may be retained, retrieved, and reviewed
3 by a recipient and that may be directly reproduced in paper
4 form by the recipient through an automated process.

5 "Majority" or "majority of the members" means the owners of
6 more than 50% in the aggregate in interest of the undivided
7 ownership of the common elements. Any specified percentage of
8 the members means such percentage in the aggregate in interest
9 of such undivided ownership. "Majority" or "majority of the
10 members of the board of the common interest community
11 association" means more than 50% of the total number of persons
12 constituting such board pursuant to the bylaws. Any specified
13 percentage of the members of the common interest community
14 association means that percentage of the total number of
15 persons constituting such board pursuant to the bylaws.

16 "Management company" or "community association manager"
17 means a person, partnership, corporation, or other legal entity
18 entitled to transact business on behalf of others, acting on
19 behalf of or as an agent for an association for the purpose of
20 carrying out the duties, responsibilities, and other
21 obligations necessary for the day to day operation and
22 management of any property subject to this Act.

23 "Meeting of the board" or "board meeting" means any
24 gathering of a quorum of the members of the board of the common
25 interest community association held for the purpose of
26 conducting board business.

1 "Member" means the person or entity designated as an owner
2 and entitled to one vote as defined by the community
3 instruments. The terms "member" and "unit owner" may be used
4 interchangeably as defined by the community instruments,
5 except in situations in which a matter of legal title to the
6 unit is involved or at issue, in which case the term "unit
7 owner" would be the applicable term used.

8 "Membership" means the collective group of members
9 entitled to vote as defined by the community instruments.

10 "Parcel" means the lot or lots or tract or tracts of land
11 described in the declaration as part of a common interest
12 community.

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

16 "Plat" means a plat or plats of survey of the parcel and of
17 all units in the common interest community, which may consist
18 of a three-dimensional horizontal and vertical delineation of
19 all such units, structures, easements, and common areas on the
20 property.

21 "Prescribed delivery method" means mailing, delivering,
22 posting in an association publication that is routinely mailed
23 to all members, electronic transmission, or any other delivery
24 method that is approved in writing by the member and authorized
25 by the community instruments.

26 "Property" means all the land, property, and space

1 comprising the parcel, all improvements and structures
2 erected, constructed or contained therein or thereon,
3 including any building and all easements, rights, and
4 appurtenances belonging thereto, and all fixtures and
5 equipment intended for the mutual use, benefit, or enjoyment of
6 the members, under the authority or control of a common
7 interest community association.

8 "Purchaser" means any person or persons, other than the
9 developer, who purchase a unit in a bona fide transaction for
10 value.

11 "Record" means to record in the office of the recorder of
12 the county wherein the property is located.

13 "Reserves" means those sums paid by members which are
14 separately maintained by the common interest community
15 association for purposes specified by the declaration and
16 bylaws of the common interest community association.

17 "Unit" means a part of the property designed and intended
18 for any type of independent use.

19 "Unit owner" means the person or persons whose estates or
20 interests, individually or collectively, aggregate fee simple
21 absolute ownership of a unit.

22 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11;
23 97-1090, eff. 8-24-12.)

24 (765 ILCS 160/1-25)

25 Sec. 1-25. Board of managers, board of directors, duties,

1 elections, and voting.

2 (a) Elections shall be held in accordance with the
3 community instruments, provided that an election shall be held
4 no less frequently than once every 24 months, for the board of
5 managers or board of directors from among the membership of a
6 common interest community association.

7 (b) (Blank).

8 (c) The members of the board shall serve without
9 compensation, unless the community instruments indicate
10 otherwise.

11 (d) No member of the board or officer shall be elected for
12 a term of more than 4 years, but officers and board members may
13 succeed themselves.

14 (e) If there is a vacancy on the board, the remaining
15 members of the board may fill the vacancy by a two-thirds vote
16 of the remaining board members until the next annual meeting of
17 the membership or until members holding 20% of the votes of the
18 association request a meeting of the members to fill the
19 vacancy for the balance of the term. A meeting of the members
20 shall be called for purposes of filling a vacancy on the board
21 no later than 30 days following the filing of a petition signed
22 by membership holding 20% of the votes of the association
23 requesting such a meeting.

24 (f) There shall be an election of a:

25 (1) president from among the members of the board, who
26 shall preside over the meetings of the board and of the

1 membership;

2 (2) secretary from among the members of the board, who
3 shall keep the minutes of all meetings of the board and of
4 the membership and who shall, in general, perform all the
5 duties incident to the office of secretary; and

6 (3) treasurer from among the members of the board, who
7 shall keep the financial records and books of account.

8 (g) If no election is held to elect board members within
9 the time period specified in the bylaws, or within a reasonable
10 amount of time thereafter not to exceed 90 days, then 20% of
11 the members may bring an action to compel compliance with the
12 election requirements specified in the bylaws. If the court
13 finds that an election was not held to elect members of the
14 board within the required period due to the bad faith acts or
15 omissions of the board of managers or the board of directors,
16 the members shall be entitled to recover their reasonable
17 attorney's fees and costs from the association. If the relevant
18 notice requirements have been met and an election is not held
19 solely due to a lack of a quorum, then this subsection (g) does
20 not apply.

21 (h) Where there is more than one owner of a unit and there
22 is only one member vote associated with that unit, if only one
23 of the multiple owners is present at a meeting of the
24 membership, he or she is entitled to cast the member vote
25 associated with that unit.

26 (h-5) A member may vote:

1 (1) by proxy executed in writing by the member or by
2 his or her duly authorized attorney in fact, provided,
3 however, that the proxy bears the date of execution. Unless
4 the community instruments or the written proxy itself
5 provide otherwise, proxies will not be valid for more than
6 11 months after the date of its execution; or

7 (2) by submitting an association-issued ballot in
8 person at the election meeting; or

9 (3) by submitting an association-issued ballot to the
10 association or its designated agent by mail or other means
11 of delivery specified in the declaration or bylaws; ~~or-~~

12 (4) by any electronic or acceptable technological
13 means.

14 Votes cast under any paragraph of this subsection (h-5) are
15 valid for the purpose of establishing a quorum.

16 (i) The association may, upon adoption of the appropriate
17 rules by the board, conduct elections by electronic or
18 acceptable technological means. Members may not vote by proxy
19 in board elections. Instructions regarding the use of
20 electronic means or acceptable technological means for voting
21 shall be distributed to all members not less than 10 and not
22 more than 30 days before the election meeting. The instruction
23 notice must include the names of all candidates who have given
24 the board or its authorized agent timely written notice of
25 their candidacy and must give the person voting through
26 electronic or acceptable technological means the opportunity

1 to cast votes for candidates whose names do not appear on the
2 ballot. The board rules shall provide and the instructions
3 provided to the member shall state that a member who submits a
4 vote using electronic or acceptable technological means may
5 request and cast a ballot in person at the election meeting,
6 and thereby void any vote previously submitted by that member.
7 ~~secret ballot, distributed by the association, whereby the~~
8 ~~voting ballot is marked only with the voting interest for the~~
9 ~~member and the vote itself, provided that the association shall~~
10 ~~further adopt rules to verify the status of the member casting~~
11 ~~a ballot and provided further that proxies shall not be~~
12 ~~allowed. A candidate for election to the board or such~~
13 ~~candidate's representative shall have the right to be present~~
14 ~~at the counting of ballots at such election.~~

15 (j) Upon proof of purchase, the purchaser of a unit from a
16 seller other than the developer pursuant to an installment
17 contract for purchase shall, during such times as he or she
18 resides in the unit, be counted toward a quorum for purposes of
19 election of members of the board at any meeting of the
20 membership called for purposes of electing members of the
21 board, shall have the right to vote for the members of the
22 board of the common interest community association and to be
23 elected to and serve on the board unless the seller expressly
24 retains in writing any or all of such rights.

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

1 (765 ILCS 160/1-75)

2 Sec. 1-75. Exemptions for small common interest
3 communities.

4 (a) A common interest community association organized
5 under the General Not for Profit Corporation Act of 1986 and
6 having ~~either (i) 10 units or less or (ii) annual budgeted~~
7 ~~assessments of \$100,000 or less~~ shall be exempt from this Act
8 unless the association affirmatively elects to be covered by
9 this Act by a majority of its directors or members.

10 (b) Common interest community associations which in their
11 declaration, bylaws, or other governing documents provide that
12 the association may not use the courts or an arbitration
13 process to collect or enforce assessments, fines, or similar
14 levies and common interest community associations (i) of 10
15 units or less or (ii) having annual budgeted assessments of
16 \$50,000 or less shall be exempt from subsection (a) of Section
17 1-30, subsections (a) and (b) of Section 1-40, and Section 1-55
18 but shall be required to provide notice of meetings to members
19 in a manner and at a time that will allow members to
20 participate in those meetings.

21 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11;
22 97-1090, eff. 8-24-12.)

23 (765 ILCS 160/1-85 new)

24 Sec. 1-85. Use of technology.

1 (a) Any notice required to be sent or received or
2 signature, vote, consent, or approval required to be obtained
3 under any community instrument or any provision of this Act may
4 be accomplished using the most advanced technology available at
5 that time. This Section governs the use of technology in
6 implementing the provisions of any community instrument or any
7 provision of this Act concerning notices, signatures, votes,
8 consents, or approvals.

9 (b) The common interest community association, unit
10 owners, and other persons entitled to occupy a unit may perform
11 any obligation or exercise any right under any community
12 instrument or any provision of this Act by use of any
13 technological means that provides sufficient security,
14 reliability, identification, and verifiability.

15 (c) A verifiable electronic signature satisfies any
16 requirement for a signature under any community instrument or
17 any provision of this Act.

18 (d) Voting on, consent to, and approval of any matter under
19 any community instrument or any provision of this Act may be
20 accomplished by electronic transmission or other equivalent
21 technological means, provided that a record is created as
22 evidence thereof and maintained as long as the record would be
23 required to be maintained in nonelectronic form.

24 (e) Subject to other provisions of law, no action required
25 or permitted by any community instrument or any provision of
26 this Act need be acknowledged before a notary public if the

1 identity and signature of the person can otherwise be
2 authenticated to the satisfaction of the board of directors.

3 (f) If any person does not have the capability or desire to
4 conduct business using electronic transmission or other
5 equivalent technological means, the common interest community
6 association shall make reasonable accommodation, at its
7 expense, for the person to conduct business with the common
8 interest community association without the use of electronic or
9 other means.

10 (g) This Section does not apply to any notices required
11 under Article IX of the Code of Civil Procedure related to: (i)
12 an action by the common interest community association to
13 collect a common expense; or (ii) foreclosure proceedings in
14 enforcement of any lien rights under this Act.

15 Section 10. The Condominium Property Act is amended by
16 changing Sections 2 and 18 and by adding Section 18.8 as
17 follows:

18 (765 ILCS 605/2) (from Ch. 30, par. 302)

19 Sec. 2. Definitions. As used in this Act, unless the
20 context otherwise requires:

21 (a) "Declaration" means the instrument by which the
22 property is submitted to the provisions of this Act, as
23 hereinafter provided, and such declaration as from time to time
24 amended.

1 (b) "Parcel" means the lot or lots, tract or tracts of
2 land, described in the declaration, submitted to the provisions
3 of this Act.

4 (c) "Property" means all the land, property and space
5 comprising the parcel, all improvements and structures
6 erected, constructed or contained therein or thereon,
7 including the building and all easements, rights and
8 appurtenances belonging thereto, and all fixtures and
9 equipment intended for the mutual use, benefit or enjoyment of
10 the unit owners, submitted to the provisions of this Act.

11 (d) "Unit" means a part of the property designed and
12 intended for any type of independent use.

13 (e) "Common Elements" means all portions of the property
14 except the units, including limited common elements unless
15 otherwise specified.

16 (f) "Person" means a natural individual, corporation,
17 partnership, trustee or other legal entity capable of holding
18 title to real property.

19 (g) "Unit Owner" means the person or persons whose estates
20 or interests, individually or collectively, aggregate fee
21 simple absolute ownership of a unit, or, in the case of a
22 leasehold condominium, the lessee or lessees of a unit whose
23 leasehold ownership of the unit expires simultaneously with the
24 lease described in item (x) of this Section.

25 (h) "Majority" or "majority of the unit owners" means the
26 owners of more than 50% in the aggregate in interest of the

1 undivided ownership of the common elements. Any specified
2 percentage of the unit owners means such percentage in the
3 aggregate in interest of such undivided ownership. "Majority"
4 or "majority of the members of the board of managers" means
5 more than 50% of the total number of persons constituting such
6 board pursuant to the bylaws. Any specified percentage of the
7 members of the board of managers means that percentage of the
8 total number of persons constituting such board pursuant to the
9 bylaws.

10 (i) "Plat" means a plat or plats of survey of the parcel
11 and of all units in the property submitted to the provisions of
12 this Act, which may consist of a three-dimensional horizontal
13 and vertical delineation of all such units.

14 (j) "Record" means to record in the office of the recorder
15 or, whenever required, to file in the office of the Registrar
16 of Titles of the county wherein the property is located.

17 (k) "Conversion Condominium" means a property which
18 contains structures, excepting those newly constructed and
19 intended for condominium ownership, which are, or have
20 previously been, wholly or partially occupied before recording
21 of condominium instruments by persons other than those who have
22 contracted for the purchase of condominiums.

23 (l) "Condominium Instruments" means all documents and
24 authorized amendments thereto recorded pursuant to the
25 provisions of the Act, including the declaration, bylaws and
26 plat.

1 (m) "Common Expenses" means the proposed or actual expenses
2 affecting the property, including reserves, if any, lawfully
3 assessed by the Board of Managers of the Unit Owner's
4 Association.

5 (n) "Reserves" means those sums paid by unit owners which
6 are separately maintained by the board of managers for purposes
7 specified by the board of managers or the condominium
8 instruments.

9 (o) "Unit Owners' Association" or "Association" means the
10 association of all the unit owners, acting pursuant to bylaws
11 through its duly elected board of managers.

12 (p) "Purchaser" means any person or persons other than the
13 Developer who purchase a unit in a bona fide transaction for
14 value.

15 (q) "Developer" means any person who submits property
16 legally or equitably owned in fee simple by the developer, or
17 leased to the developer under a lease described in item (x) of
18 this Section, to the provisions of this Act, or any person who
19 offers units legally or equitably owned in fee simple by the
20 developer, or leased to the developer under a lease described
21 in item (x) of this Section, for sale in the ordinary course of
22 such person's business, including any successor or successors
23 to such developers' entire interest in the property other than
24 the purchaser of an individual unit.

25 (r) "Add-on Condominium" means a property to which
26 additional property may be added in accordance with condominium

1 instruments and this Act.

2 (s) "Limited Common Elements" means a portion of the common
3 elements so designated in the declaration as being reserved for
4 the use of a certain unit or units to the exclusion of other
5 units, including but not limited to balconies, terraces, patios
6 and parking spaces or facilities.

7 (t) "Building" means all structures, attached or
8 unattached, containing one or more units.

9 (u) "Master Association" means an organization described
10 in Section 18.5 whether or not it is also an association
11 described in Section 18.3.

12 (v) "Developer Control" means such control at a time prior
13 to the election of the Board of Managers provided for in
14 Section 18.2(b) of this Act.

15 (w) "Meeting of Board of Managers or Board of Master
16 Association" means any gathering of a quorum of the members of
17 the Board of Managers or Board of the Master Association held
18 for the purpose of conducting board business.

19 (x) "Leasehold Condominium" means a property submitted to
20 the provisions of this Act which is subject to a lease, the
21 expiration or termination of which would terminate the
22 condominium and the lessor of which is (i) exempt from taxation
23 under Section 501(c)(3) of the Internal Revenue Code of 1986,
24 as amended, (ii) a limited liability company whose sole member
25 is exempt from taxation under Section 501 (c)(3) of the
26 Internal Revenue Code of 1986, as amended, or (iii) a Public

1 Housing Authority created pursuant to the Housing Authorities
2 Act that is located in a municipality having a population in
3 excess of 1,000,000 inhabitants.

4 (y) "Electronic transmission" means any form of
5 communication, not directly involving the physical
6 transmission of paper, that creates a record that may be
7 retained, retrieved, and reviewed by a recipient and that may
8 be directly reproduced in paper form by the recipient through
9 an automated process.

10 (z) "Acceptable technological means" includes, without
11 limitation, electronic transmission over the Internet or other
12 network, whether by direct connection, intranet, telecopier,
13 or electronic mail.

14 (Source: P.A. 93-474, eff. 8-8-03.)

15 (765 ILCS 605/18) (from Ch. 30, par. 318)

16 Sec. 18. Contents of bylaws. The bylaws shall provide for
17 at least the following:

18 (a) (1) The election from among the unit owners of a board
19 of managers, the number of persons constituting such board,
20 and that the terms of at least one-third of the members of
21 the board shall expire annually and that all members of the
22 board shall be elected at large. If there are multiple
23 owners of a single unit, only one of the multiple owners
24 shall be eligible to serve as a member of the board at any
25 one time.

- 1 (2) the powers and duties of the board;
- 2 (3) the compensation, if any, of the members of the
3 board;
- 4 (4) the method of removal from office of members of the
5 board;
- 6 (5) that the board may engage the services of a manager
7 or managing agent;
- 8 (6) that each unit owner shall receive, at least 30
9 days prior to the adoption thereof by the board of
10 managers, a copy of the proposed annual budget together
11 with an indication of which portions are intended for
12 reserves, capital expenditures or repairs or payment of
13 real estate taxes;
- 14 (7) that the board of managers shall annually supply to
15 all unit owners an itemized accounting of the common
16 expenses for the preceding year actually incurred or paid,
17 together with an indication of which portions were for
18 reserves, capital expenditures or repairs or payment of
19 real estate taxes and with a tabulation of the amounts
20 collected pursuant to the budget or assessment, and showing
21 the net excess or deficit of income over expenditures plus
22 reserves;
- 23 (8) (i) that each unit owner shall receive notice, in
24 the same manner as is provided in this Act for membership
25 meetings, of any meeting of the board of managers
26 concerning the adoption of the proposed annual budget and

1 regular assessments pursuant thereto or to adopt a separate
2 (special) assessment, (ii) that except as provided in
3 subsection (iv) below, if an adopted budget or any separate
4 assessment adopted by the board would result in the sum of
5 all regular and separate assessments payable in the current
6 fiscal year exceeding 115% of the sum of all regular and
7 separate assessments payable during the preceding fiscal
8 year, the board of managers, upon written petition by unit
9 owners with 20 percent of the votes of the association
10 delivered to the board within 14 days of the board action,
11 shall call a meeting of the unit owners within 30 days of
12 the date of delivery of the petition to consider the budget
13 or separate assessment; unless a majority of the total
14 votes of the unit owners are cast at the meeting to reject
15 the budget or separate assessment, it is ratified, (iii)
16 that any common expense not set forth in the budget or any
17 increase in assessments over the amount adopted in the
18 budget shall be separately assessed against all unit
19 owners, (iv) that separate assessments for expenditures
20 relating to emergencies or mandated by law may be adopted
21 by the board of managers without being subject to unit
22 owner approval or the provisions of item (ii) above or item
23 (v) below. As used herein, "emergency" means an immediate
24 danger to the structural integrity of the common elements
25 or to the life, health, safety or property of the unit
26 owners, (v) that assessments for additions and alterations

1 to the common elements or to association-owned property not
2 included in the adopted annual budget, shall be separately
3 assessed and are subject to approval of two-thirds of the
4 total votes of all unit owners, (vi) that the board of
5 managers may adopt separate assessments payable over more
6 than one fiscal year. With respect to multi-year
7 assessments not governed by items (iv) and (v), the entire
8 amount of the multi-year assessment shall be deemed
9 considered and authorized in the first fiscal year in which
10 the assessment is approved;

11 (9) that meetings of the board of managers shall be
12 open to any unit owner, except for the portion of any
13 meeting held (i) to discuss litigation when an action
14 against or on behalf of the particular association has been
15 filed and is pending in a court or administrative tribunal,
16 or when the board of managers finds that such an action is
17 probable or imminent, (ii) to consider information
18 regarding appointment, employment or dismissal of an
19 employee, or (iii) to discuss violations of rules and
20 regulations of the association or a unit owner's unpaid
21 share of common expenses; that any vote on these matters
22 shall be taken at a meeting or portion thereof open to any
23 unit owner; that any unit owner may record the proceedings
24 at meetings or portions thereof required to be open by this
25 Act by tape, film or other means; that the board may
26 prescribe reasonable rules and regulations to govern the

1 right to make such recordings, that notice of such meetings
2 shall be mailed or delivered at least 48 hours prior
3 thereto, unless a written waiver of such notice is signed
4 by the person or persons entitled to such notice pursuant
5 to the declaration, bylaws, other condominium instrument,
6 or provision of law other than this subsection before the
7 meeting is convened, and that copies of notices of meetings
8 of the board of managers shall be posted in entranceways,
9 elevators, or other conspicuous places in the condominium
10 at least 48 hours prior to the meeting of the board of
11 managers except where there is no common entranceway for 7
12 or more units, the board of managers may designate one or
13 more locations in the proximity of these units where the
14 notices of meetings shall be posted;

15 (10) that the board shall meet at least 4 times
16 annually;

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

20 (12) the designation of an officer to mail and receive
21 all notices and execute amendments to condominium
22 instruments as provided for in this Act and in the
23 condominium instruments;

24 (13) the method of filling vacancies on the board which
25 shall include authority for the remaining members of the
26 board to fill the vacancy by two-thirds vote until the next

1 annual meeting of unit owners or for a period terminating
2 no later than 30 days following the filing of a petition
3 signed by unit owners holding 20% of the votes of the
4 association requesting a meeting of the unit owners to fill
5 the vacancy for the balance of the term, and that a meeting
6 of the unit owners shall be called for purposes of filling
7 a vacancy on the board no later than 30 days following the
8 filing of a petition signed by unit owners holding 20% of
9 the votes of the association requesting such a meeting, and
10 the method of filling vacancies among the officers that
11 shall include the authority for the members of the board to
12 fill the vacancy for the unexpired portion of the term;

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

15 (15) provisions concerning notice of board meetings to
16 members of the board;

17 (16) the board of managers may not enter into a
18 contract with a current board member or with a corporation
19 or partnership in which a board member or a member of the
20 board member's immediate family has 25% or more interest,
21 unless notice of intent to enter the contract is given to
22 unit owners within 20 days after a decision is made to
23 enter into the contract and the unit owners are afforded an
24 opportunity by filing a petition, signed by 20% of the unit
25 owners, for an election to approve or disapprove the
26 contract; such petition shall be filed within 20 days after

1 such notice and such election shall be held within 30 days
2 after filing the petition; for purposes of this subsection,
3 a board member's immediate family means the board member's
4 spouse, parents, and children;

5 (17) that the board of managers may disseminate to unit
6 owners biographical and background information about
7 candidates for election to the board if (i) reasonable
8 efforts to identify all candidates are made and all
9 candidates are given an opportunity to include
10 biographical and background information in the information
11 to be disseminated; and (ii) the board does not express a
12 preference in favor of any candidate;

13 (18) any proxy distributed for board elections by the
14 board of managers gives unit owners the opportunity to
15 designate any person as the proxy holder, and gives the
16 unit owner the opportunity to express a preference for any
17 of the known candidates for the board or to write in a
18 name;

19 (19) that special meetings of the board of managers can
20 be called by the president or 25% of the members of the
21 board; and

22 (20) that the board of managers may establish and
23 maintain a system of master metering of public utility
24 services and collect payments in connection therewith,
25 subject to the requirements of the Tenant Utility Payment
26 Disclosure Act.

1 (b) (1) What percentage of the unit owners, if other than
2 20%, shall constitute a quorum provided that, for
3 condominiums with 20 or more units, the percentage of unit
4 owners constituting a quorum shall be 20% unless the unit
5 owners holding a majority of the percentage interest in the
6 association provide for a higher percentage, provided that
7 in voting on amendments to the association's bylaws, a unit
8 owner who is in arrears on the unit owner's regular or
9 separate assessments for 60 days or more, shall not be
10 counted for purposes of determining if a quorum is present,
11 but that unit owner retains the right to vote on amendments
12 to the association's bylaws;

13 (2) that the association shall have one class of
14 membership;

15 (3) that the members shall hold an annual meeting, one
16 of the purposes of which shall be to elect members of the
17 board of managers;

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

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

22 (6) that written notice of any membership meeting shall
23 be mailed or delivered giving members no less than 10 and
24 no more than 30 days notice of the time, place and purpose
25 of such meeting except that notice may be sent, to the
26 extent the condominium instruments or rules adopted

1 thereunder expressly so provide, by electronic
2 transmission consented to by the unit owner to whom the
3 notice is given, provided the director and officer or his
4 agent certifies in writing to the delivery by electronic
5 transmission;

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

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

26 (9) (A) ~~that unless the Articles of Incorporation or the~~

1 ~~bylaws otherwise provide, and~~ except as provided in
2 subparagraph (B) of this paragraph (9) in connection with
3 board elections, that a unit owner may vote by proxy
4 executed in writing by the unit owner or by his duly
5 authorized attorney in fact; that the proxy must bear the
6 date of execution and, unless the condominium instruments
7 or the written proxy itself provide otherwise, is invalid
8 after 11 months from the date of its execution; to the
9 extent the condominium instruments or rules adopted
10 thereunder expressly so provide, a vote or proxy may be
11 submitted by electronic transmission, provided that any
12 such electronic transmission shall either set forth or be
13 submitted with information from which it can be determined
14 that the electronic transmission was authorized by the unit
15 owner or the unit owner's proxy;

16 (B) that if a rule adopted at least 120 days before a
17 board election or the declaration or bylaws provide for
18 balloting as set forth in this subsection, unit owners may
19 not vote by proxy in board elections, but may vote only (i)
20 by submitting an association-issued ballot in person at the
21 election meeting or (ii) by submitting an
22 association-issued ballot to the association or its
23 designated agent by mail or other means of delivery
24 specified in the declaration, bylaws, or rule; that the
25 ballots shall be mailed or otherwise distributed to unit
26 owners not less than 10 and not more than 30 days before

1 the election meeting, and the board shall give unit owners
2 not less than 21 days' prior written notice of the deadline
3 for inclusion of a candidate's name on the ballots; that
4 the deadline shall be no more than 7 days before the
5 ballots are mailed or otherwise distributed to unit owners;
6 that every such ballot must include the names of all
7 candidates who have given the board or its authorized agent
8 timely written notice of their candidacy and must give the
9 person casting the ballot the opportunity to cast votes for
10 candidates whose names do not appear on the ballot; that a
11 ballot received by the association or its designated agent
12 after the close of voting shall not be counted; that a unit
13 owner who submits a ballot by mail or other means of
14 delivery specified in the declaration, bylaws, or rule may
15 request and cast a ballot in person at the election
16 meeting, and thereby void any ballot previously submitted
17 by that unit owner;

18 (B-5) that if a rule adopted at least 120 days before a
19 board election or the declaration or bylaws provide for
20 balloting as set forth in this subparagraph, unit owners
21 may not vote by proxy in board elections, but may vote only
22 (i) by submitting an association-issued ballot in person at
23 the election meeting; or (ii) by any acceptable
24 technological means as defined in Section 2 of this Act;
25 instructions regarding the use of electronic means for
26 voting shall be distributed to all unit owners not less

1 than 10 and not more than 30 days before the election
2 meeting, and the board shall give unit owners not less than
3 21 days' prior written notice of the deadline for inclusion
4 of a candidate's name on the ballots; the deadline shall be
5 no more than 7 days before the instructions for voting
6 using electronic or acceptable technological means is
7 distributed to unit owners; every instruction notice must
8 include the names of all candidates who have given the
9 board or its authorized agent timely written notice of
10 their candidacy and must give the person voting through
11 electronic or acceptable technological means the
12 opportunity to cast votes for candidates whose names do not
13 appear on the ballot; a unit owner who submits a vote using
14 electronic or acceptable technological means may request
15 and cast a ballot in person at the election meeting,
16 thereby voiding any vote previously submitted by that unit
17 owner;

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

1 (D) that votes cast by ballot under subparagraph (B) or
2 electronic or acceptable technological means under
3 subparagraph (B-5) of this paragraph (9) are valid for the
4 purpose of establishing a quorum;

5 (10) that the association may, upon adoption of the
6 appropriate rules by the board of managers, conduct
7 elections by secret ballot whereby the voting ballot is
8 marked only with the percentage interest for the unit and
9 the vote itself, provided that the board further adopt
10 rules to verify the status of the unit owner issuing a
11 proxy or casting a ballot; and further, that a candidate
12 for election to the board of managers or such candidate's
13 representative shall have the right to be present at the
14 counting of ballots at such election;

15 (11) that in the event of a resale of a condominium
16 unit the purchaser of a unit from a seller other than the
17 developer pursuant to an installment contract for purchase
18 shall during such times as he or she resides in the unit be
19 counted toward a quorum for purposes of election of members
20 of the board of managers at any meeting of the unit owners
21 called for purposes of electing members of the board, shall
22 have the right to vote for the election of members of the
23 board of managers and to be elected to and serve on the
24 board of managers unless the seller expressly retains in
25 writing any or all of such rights. In no event may the
26 seller and purchaser both be counted toward a quorum, be

1 permitted to vote for a particular office or be elected and
2 serve on the board. Satisfactory evidence of the
3 installment contact shall be made available to the
4 association or its agents. For purposes of this subsection,
5 "installment contact" shall have the same meaning as set
6 forth in Section 1 (e) of "An Act relating to installment
7 contracts to sell dwelling structures", approved August
8 11, 1967, as amended;

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

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

18 (i) merger or consolidation of the association;

19 (ii) sale, lease, exchange, or other disposition
20 (excluding the mortgage or pledge) of all, or
21 substantially all of the property and assets of the
22 association; and

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

25 (c) Election of a president from among the board of
26 managers, who shall preside over the meetings of the board of

1 managers and of the unit owners.

2 (d) Election of a secretary from among the board of
3 managers, who shall keep the minutes of all meetings of the
4 board of managers and of the unit owners and who shall, in
5 general, perform all the duties incident to the office of
6 secretary.

7 (e) Election of a treasurer from among the board of
8 managers, who shall keep the financial records and books of
9 account.

10 (f) Maintenance, repair and replacement of the common
11 elements and payments therefor, including the method of
12 approving payment vouchers.

13 (g) An association with 30 or more units shall obtain and
14 maintain fidelity insurance covering persons who control or
15 disburse funds of the association for the maximum amount of
16 coverage available to protect funds in the custody or control
17 of the association plus the association reserve fund. All
18 management companies which are responsible for the funds held
19 or administered by the association shall maintain and furnish
20 to the association a fidelity bond for the maximum amount of
21 coverage available to protect funds in the custody of the
22 management company at any time. The association shall bear the
23 cost of the fidelity insurance and fidelity bond, unless
24 otherwise provided by contract between the association and a
25 management company. The association shall be the direct obligee
26 of any such fidelity bond. A management company holding reserve

1 funds of an association shall at all times maintain a separate
2 account for each association, provided, however, that for
3 investment purposes, the Board of Managers of an association
4 may authorize a management company to maintain the
5 association's reserve funds in a single interest bearing
6 account with similar funds of other associations. The
7 management company shall at all times maintain records
8 identifying all moneys of each association in such investment
9 account. The management company may hold all operating funds of
10 associations which it manages in a single operating account but
11 shall at all times maintain records identifying all moneys of
12 each association in such operating account. Such operating and
13 reserve funds held by the management company for the
14 association shall not be subject to attachment by any creditor
15 of the management company.

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

1 association funds and association reserves that will be in the
2 custody of the association, and the directors and officers
3 liability coverage at a level as shall be determined to be
4 reasonable by the board of managers, if not otherwise
5 established by the declaration or by laws.

6 Until one year after the effective date of this amendatory
7 Act of 1985, if a condominium association has reserves plus
8 assessments in excess of \$250,000 and cannot reasonably obtain
9 100% fidelity bond coverage for such amount, then it must
10 obtain a fidelity bond coverage of \$250,000.

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

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

20 (j) Designation and removal of personnel necessary for the
21 maintenance, repair and replacement of the common elements.

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

1 owners.

2 (l) Method of adopting and of amending administrative rules
3 and regulations governing the operation and use of the common
4 elements.

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

8 (n) (i) The provisions of this Act, the declaration,
9 bylaws, other condominium instruments, and rules and
10 regulations that relate to the use of the individual unit or
11 the common elements shall be applicable to any person leasing a
12 unit and shall be deemed to be incorporated in any lease
13 executed or renewed on or after the effective date of this
14 amendatory Act of 1984. (ii) With regard to any lease entered
15 into subsequent to the effective date of this amendatory Act of
16 1989, the unit owner leasing the unit shall deliver a copy of
17 the signed lease to the board or if the lease is oral, a
18 memorandum of the lease, not later than the date of occupancy
19 or 10 days after the lease is signed, whichever occurs first.
20 In addition to any other remedies, by filing an action jointly
21 against the tenant and the unit owner, an association may seek
22 to enjoin a tenant from occupying a unit or seek to evict a
23 tenant under the provisions of Article IX of the Code of Civil
24 Procedure for failure of the lessor-owner to comply with the
25 leasing requirements prescribed by this Section or by the
26 declaration, bylaws, and rules and regulations. The board of

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

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

7 (p) That when 30% or fewer of the units, by number, possess
8 over 50% in the aggregate of the votes in the association, any
9 percentage vote of members specified herein or in the
10 condominium instruments shall require the specified percentage
11 by number of units rather than by percentage of interest in the
12 common elements allocated to units that would otherwise be
13 applicable and garage units or storage units, or both, shall
14 have, in total, no more votes than their aggregate percentage
15 of ownership in the common elements; this shall mean that if
16 garage units or storage units, or both, are to be given a vote,
17 or portion of a vote, that the association must add the total
18 number of votes cast of garage units, storage units, or both,
19 and divide the total by the number of garage units, storage
20 units, or both, and multiply by the aggregate percentage of
21 ownership of garage units and storage units to determine the
22 vote, or portion of a vote, that garage units or storage units,
23 or both, have. For purposes of this subsection (p), when making
24 a determination of whether 30% or fewer of the units, by
25 number, possess over 50% in the aggregate of the votes in the
26 association, a unit shall not include a garage unit or a

1 storage unit.

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

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

15 (Source: P.A. 95-624, eff. 6-1-08; 96-55, eff. 1-1-10; 96-977,
16 eff. 7-2-10.)

17 (765 ILCS 605/18.8 new)

18 Sec. 18.8. Use of technology.

19 (a) Any notice required to be sent or received or
20 signature, vote, consent, or approval required to be obtained
21 under any condominium instrument or any provision of this Act
22 may be accomplished using the most advanced technology
23 available at that time. This Section shall govern the use of
24 technology in implementing the provisions of any condominium
25 instrument or any provision of this Act concerning notices,

1 signatures, votes, consents, or approvals.

2 (b) The association, unit owners, and other persons
3 entitled to occupy a unit may perform any obligation or
4 exercise any right under any condominium instrument or any
5 provision of this Act by use of any technological means that
6 provides sufficient security, reliability, identification, and
7 verifiability.

8 (c) A verifiable electronic signature satisfies any
9 requirement for a signature under any condominium instrument or
10 any provision of this Act.

11 (d) Voting on, consent to, and approval of any matter under
12 any condominium instrument or any provision of this Act may be
13 accomplished by electronic transmission or other equivalent
14 technological means, provided that a record is created as
15 evidence thereof and maintained as long as the record would be
16 required to be maintained in nonelectronic form.

17 (e) Subject to other provisions of law, no action required
18 or permitted by any condominium instrument or any provision of
19 this Act need be acknowledged before a notary public if the
20 identity and signature of the person can otherwise be
21 authenticated to the satisfaction of the board of directors or
22 board of managers.

23 (f) If any person does not have the capability or desire to
24 conduct business using electronic transmission or other
25 equivalent technological means, the association shall make
26 reasonable accommodation, at its expense, for the person to

1 conduct business with the association without the use of
2 electronic or other means.

3 (g) This Section does not apply to any notices required
4 under Article IX of the Code of Civil Procedure related to: (i)
5 an action by the association to collect a common expense; or
6 (ii) foreclosure proceedings in enforcement of any lien rights
7 under this Act.