



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0237

Introduced 1/29/2021, by Rep. Margaret Croke

SYNOPSIS AS INTRODUCED:

See Index

Amends the Condominium Property Act. Provides that to sell a condominium property, there shall be the following percentage of affirmative votes of the unit owners: 75% for a property with 4 to 6 units (rather than 4 or more units); or 85% for a property with 7 or more units. Provides that an association that has agreed to sell the property shall inform the unit owners that the association may choose outside counsel to represent its interests during the sale process. Provides that it is a violation for a person, partnership, corporation, or other legal entity entitled to transact business on behalf of others, acting on behalf of one seeking to communicate with a unit owner for the purpose of purchasing his or her property once the unit owner has affirmatively requested that such a communication not be made. Provides that the bylaws shall provide that: matters subject to the affirmative vote of not less than 2/3 of the votes of unit owners shall require an independent audit of the votes; and unless a lesser percentage of ownership is provided for in the bylaws, no person, heir assign, family member, affiliate, partnership, corporation, or other legal entity entitled to transact business on behalf of others may own more than 10% of the units for a property containing 30 or more units, more than 15% of the units for a property containing 20 to 29 units, more than 20% for a property containing 5 to 19 units, and no more than a single unit for a property containing fewer than 5 units. Provides that it is a power and duty of the board of managers to: reject any arrangement that establishes an agreement for a buyer to purchase a property; and refrain from investigating an offer to purchase a property without first receiving authorization from the association through an affirmative vote of not less than 75% of unit owners based on the percentage of ownership. Provides that every officer and member of the board who violates, participates in, or permits any of the officers, agents, or assigns of the board to breach his or her fiduciary duty shall be held liable in his or her personal or individual capacity. Makes other changes. Makes a corresponding change in the Common Interest Community Association Act.

LRB102 09926 LNS 15244 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
5 is 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

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

4 (d) (Blank).

5 (e) The association may engage the services of a manager
6 or 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
11 (c) 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
21 be 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
7 and copying at convenient hours of weekdays by any member
8 or unit owner in a common interest community subject to
9 the authority of the board, their mortgagees, and their
10 duly 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
24 areas and any other expenses incurred, and copies of
25 all contracts, leases, or other agreements entered
26 into by 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)
3 within the time period provided in that paragraph (1), the
4 member may seek appropriate relief and shall be entitled
5 to an award of reasonable attorney's fees and costs if the
6 member prevails and the court finds that such failure is
7 due to the acts or omissions of the board of managers or
8 the board 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;
14 98-756, eff. 7-16-14; 99-41, eff. 7-14-15.)

15 Section 10. The Condominium Property Act is amended by
16 changing Sections 9, 15, 18, 18.4, and 19 as follows:

17 (765 ILCS 605/9) (from Ch. 30, par. 309)

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

19 (a) All common expenses incurred or accrued prior to the
20 first conveyance of a unit shall be paid by the developer, and
21 during this period no common expense assessment shall be
22 payable to the association. It shall be the duty of each unit
23 owner including the developer to pay his proportionate share
24 of the common expenses commencing with the first conveyance.

1 The proportionate share shall be in the same ratio as his
2 percentage of ownership in the common elements set forth in
3 the declaration.

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

7 (c) Budget and reserves.

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

17 (2) All budgets adopted by a board of managers on or
18 after July 1, 1990 shall provide for reasonable reserves
19 for capital expenditures and deferred maintenance for
20 repair or replacement of the common elements. To determine
21 the amount of reserves appropriate for an association, the
22 board of managers shall take into consideration the
23 following: (i) the repair and replacement cost, and the
24 estimated useful life, of the property which the
25 association is obligated to maintain, including but not
26 limited to structural and mechanical components, surfaces

1 of the buildings and common elements, and energy systems
2 and equipment; (ii) the current and anticipated return on
3 investment of association funds; (iii) any independent
4 professional reserve study which the association shall ~~may~~
5 obtain; (iv) the financial impact on unit owners, and the
6 market value of the condominium units, of any assessment
7 increase needed to fund reserves; and (v) the ability of
8 the association to obtain financing or refinancing.

9 Additionally, to assist the board of managers in
10 determining the appropriate amount of reserves, a reserve
11 study shall be conducted by a qualified independent
12 professional for all properties with 7 or more units.
13 Every 3 years, an updated reserve study shall be prepared
14 using a visual site inspection by a qualified independent
15 professional.

16 (3) Notwithstanding the provisions of this subsection
17 (c), an association without a reserve requirement in its
18 condominium instruments may elect to waive in whole or in
19 part the reserve requirements of this Section by a vote of
20 2/3 of the total votes of the association. Any association
21 having elected under this paragraph (3) to waive the
22 provisions of subsection (c) may by a vote of 2/3 of the
23 total votes of the association elect to again be governed
24 by the requirements of subsection (c).

25 (4) In the event that an association elects to waive
26 all or part of the reserve requirements of this Section,

1 that fact must be disclosed after the meeting at which the
2 waiver occurs by the association in the financial
3 statements of the association and, highlighted in bold
4 print, in the response to any request of a prospective
5 purchaser for the information prescribed under Section
6 22.1; and no member of the board of managers or the
7 managing agent of the association shall be liable, and no
8 cause of action may be brought for damages against these
9 parties, for the lack or inadequacy of reserve funds in
10 the association budget.

11 (5) At the end of an association's fiscal year and
12 after the association has approved any end-of-year fiscal
13 audit, if applicable, if the fiscal year ended with a
14 surplus of funds over actual expenses, including budgeted
15 reserve fund contributions, then, to the extent that there
16 are not any contrary provisions in the association's
17 declaration and bylaws, the board of managers has the
18 authority, in its discretion, to dispose of the surplus in
19 one or more of the following ways: (i) contribute the
20 surplus to the association's reserve fund; (ii) return the
21 surplus to the unit owners as a credit against the
22 remaining monthly assessments for the current fiscal year;
23 (iii) return the surplus to the unit owners in the form of
24 a direct payment to the unit owners; or (iv) maintain the
25 funds in the operating account, in which case the funds
26 shall be applied as a credit when calculating the

1 following year's annual budget. If the fiscal year ends in
2 a deficit, then, to the extent that there are not any
3 contrary provisions in the association's declaration and
4 bylaws, the board of managers has the authority, in its
5 discretion, to address the deficit by incorporating it
6 into the following year's annual budget. If 20% of the
7 unit owners of the association deliver a petition
8 objecting to the action under this paragraph (5) within 30
9 days after notice to the unit owners of the action, the
10 board of managers shall call a meeting of the unit owners
11 within 30 days of the date of delivery of the petition. At
12 the meeting, the unit owners may vote to select a
13 different option than the option selected by the board of
14 managers. Unless a majority of the total votes of the unit
15 owners are cast at the meeting to reject the board's
16 selection and select a different option, the board's
17 decision is ratified.

18 (d) (Blank).

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

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

25 (g) Lien.

26 (1) If any unit owner shall fail or refuse to make any

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

20 (2) With respect to encumbrances executed prior to
21 August 30, 1984 or encumbrances executed subsequent to
22 August 30, 1984 which are neither bonafide first mortgages
23 nor trust deeds and which encumbrances contain a statement
24 of a mailing address in the State of Illinois where notice
25 may be mailed to the encumbrancer thereunder, if and
26 whenever and as often as the manager or board of managers

1 shall send, by United States certified or registered mail,
2 return receipt requested, to any such encumbrancer at the
3 mailing address set forth in the recorded encumbrance a
4 statement of the amounts and due dates of the unpaid
5 common expenses with respect to the encumbered unit, then,
6 unless otherwise provided in the declaration or bylaws,
7 the prior recorded encumbrance shall be subject to the
8 lien of all unpaid common expenses with respect to the
9 unit which become due and payable within a period of 90
10 days after the date of mailing of each such notice.

11 (3) The purchaser of a condominium unit at a judicial
12 foreclosure sale, or a mortgagee who receives title to a
13 unit by deed in lieu of foreclosure or judgment by common
14 law strict foreclosure or otherwise takes possession
15 pursuant to court order under the Illinois Mortgage
16 Foreclosure Law, shall have the duty to pay the unit's
17 proportionate share of the common expenses for the unit
18 assessed from and after the first day of the month after
19 the date of the judicial foreclosure sale, delivery of the
20 deed in lieu of foreclosure, entry of a judgment in common
21 law strict foreclosure, or taking of possession pursuant
22 to such court order. Such payment confirms the
23 extinguishment of any lien created pursuant to paragraph
24 (1) or (2) of this subsection (g) by virtue of the failure
25 or refusal of a prior unit owner to make payment of common
26 expenses, where the judicial foreclosure sale has been

1 confirmed by order of the court, a deed in lieu thereof has
2 been accepted by the lender, or a consent judgment has
3 been entered by the court.

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

19 (5) The notice of sale of a condominium unit under
20 subsection (c) of Section 15-1507 of the Code of Civil
21 Procedure shall state that the purchaser of the unit other
22 than a mortgagee shall pay the assessments and the legal
23 fees required by subdivisions (g) (1) and (g) (4) of Section
24 9 of this Act. The statement of assessment account issued
25 by the association to a unit owner under subsection (i) of
26 Section 18 of this Act, and the disclosure statement

1 issued to a prospective purchaser under Section 22.1 of
2 this Act, shall state the amount of the assessments and
3 the legal fees, if any, required by subdivisions (g)(1)
4 and (g)(4) of Section 9 of this Act.

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

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

21 (j) Any encumbrancer may from time to time request in
22 writing a written statement from the manager or board of
23 managers setting forth the unpaid common expenses with respect
24 to the unit covered by his encumbrance. Unless the request is
25 complied with within 20 days, all unpaid common expenses which
26 become due prior to the date of the making of such request

1 shall be subordinate to the lien of the encumbrance. Any
2 encumbrancer holding a lien on a unit may pay any unpaid common
3 expenses payable with respect to the unit, and upon payment
4 the encumbrancer shall have a lien on the unit for the amounts
5 paid at the same rank as the lien of his encumbrance.

6 (k) Nothing in Public Act 83-1271 is intended to change
7 the lien priorities of any encumbrance created prior to August
8 30, 1984.

9 (Source: P.A. 100-292, eff. 1-1-18.)

10 (765 ILCS 605/15) (from Ch. 30, par. 315)

11 Sec. 15. Sale of property.

12 (a) Unless a greater percentage is provided for in the
13 declaration or bylaws, and notwithstanding the provisions of
14 Sections 13 and 14 hereof, a majority of the unit owners where
15 the property contains 2 units, or not less than 66 2/3% where
16 the property contains 3 ~~three~~ units, or and not less than 75%
17 where the property contains 4 to 6 ~~or more~~ units, or not less
18 than 85% where the property contains 7 or more units may, by
19 affirmative vote at a meeting of unit owners duly called for
20 such purpose, elect to sell the property. A vote to approve a
21 deconversion shall be independently conducted and shall be at
22 the expense of the party acquiring ownership rights to the
23 property. Any party, including the board of managers, involved
24 in the marketing or sale of the property may be privy only to
25 the percentage of votes collected, but not the voting tallies,

1 until the final vote is revealed. Such action shall be binding
2 upon all unit owners, and it shall thereupon become the duty of
3 every unit owner to execute and deliver such instruments and
4 to perform all acts as in manner and form may be necessary to
5 effect such sale, provided, however, that any unit owner who
6 did not vote in favor of such action and who has filed written
7 objection thereto with the manager or board of managers within
8 20 days after the date of the meeting at which such sale was
9 approved shall be entitled to receive from the proceeds of
10 such sale an amount equivalent to the greater of: (i) the value
11 of his or her interest, as determined by a fair appraisal, less
12 the amount of any unpaid assessments or charges due and owing
13 from such unit owner or (ii) the outstanding balance of any
14 bona fide debt secured by the objecting unit owner's interest
15 which was incurred by such unit owner in connection with the
16 acquisition or refinance of the unit owner's interest, less
17 the amount of any unpaid assessments or charges due and owing
18 from such unit owner. The objecting unit owner is also
19 entitled to receive from the proceeds of a sale under this
20 Section reimbursement for reasonable relocation costs,
21 determined in the same manner as under the federal Uniform
22 Relocation Assistance and Real Property Acquisition Policies
23 Act of 1970, as amended from time to time, and as implemented
24 by regulations promulgated under that Act.

25 (b) If there is a disagreement as to the value of the
26 interest of a unit owner who did not vote in favor of the sale

1 of the property, that unit owner shall have a right to
2 designate an expert in appraisal or property valuation to
3 represent him, in which case, the prospective purchaser of the
4 property shall designate an expert in appraisal or property
5 valuation to represent him, and both of these experts shall
6 mutually designate a third expert in appraisal or property
7 valuation. The 3 experts shall constitute a panel to determine
8 by vote of at least 2 of the members of the panel, the value of
9 that unit owner's interest in the property. The changes made
10 by this amendatory Act of the 100th General Assembly apply to
11 sales under this Section that are pending or commenced on and
12 after the effective date of this amendatory Act of the 100th
13 General Assembly.

14 (c) An association that has requested or received a
15 written offer to sell the property shall inform the unit
16 owners that the association shall choose counsel to represent
17 its interests during the real estate sale process with an
18 affirmative vote of not less than 75% of ownership. The
19 association shall inform the unit owners at the time of an
20 affirmative vote to investigate an offer to purchase a
21 condominium property or list the property for sale that: (1)
22 the attorney of record represents the association and not the
23 individual unit owner; (2) the interests of the association
24 may conflict with the interests of a specific unit owner; and
25 (3) any unit owner may retain the representation of
26 independent counsel. The attorney of record, or his or her

1 employees, agents, or assigns, shall not engage in any work,
2 paid or unpaid, that creates an actual or potential conflict
3 of interest. If a conflict of interest exists, the attorney
4 shall inform the association.

5 (d) It is a violation of this Act for a person,
6 partnership, corporation, or other legal entity entitled to
7 transact business on behalf of others, to communicate with a
8 unit owner, or any member of his or her household, for the
9 purpose of purchasing his or her property once the unit owner
10 has affirmatively requested that such a communication not be
11 made.

12 (e) It is a violation of this Act for a buyer, or his or
13 her agent, representative, assign, or affiliate, who is
14 considering buying a condominium building to make or attempt
15 to make an offer on the property, or, in the process of
16 purchasing the property, including any time after an offer has
17 been made, to offer any consideration, financial or otherwise,
18 as an incentive to procure the affirmative vote to the bulk
19 sale from the unit owner or to influence the outcome of the
20 condominium ownership's vote in favor of the buyer or his or
21 her agent, representative, assign, affiliate, or related
22 entity. A buyer may offer financial consideration in exchange
23 for the purchase of a condominium unit or building, however,
24 the buyer, or his or her agent, representative, or affiliate,
25 may not offer consideration to any individual or entity who is
26 an owner in the building he or she is seeking to purchase

1 beyond what has been specified for each owner in the purchase
2 offer document. Consideration, financial or otherwise, in
3 excess of what was promised to each unit owner in a written
4 contract that all owners are privy to is a prohibited form of
5 vote-buying and a disallowed quid pro quo. Any violation of
6 this subsection that occurs without the disclosure and consent
7 of the board of managers and the condominium association shall
8 render the bulk sale agreement illegitimate and unenforceable.

9 (Source: P.A. 100-292, eff. 1-1-18.)

10 (765 ILCS 605/18) (from Ch. 30, par. 318)

11 Sec. 18. Contents of bylaws. The bylaws shall provide for
12 at least the following:

13 (a) (1) The election from among the unit owners of a
14 board of managers, the number of persons constituting such
15 board, and that the terms of at least one-third of the
16 members of the board shall expire annually and that all
17 members of the board shall be elected at large; if there
18 are multiple owners of a single unit, only one of the
19 multiple owners shall be eligible to serve as a member of
20 the board at any one time;

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

22 (3) the compensation, if any, of the members of the
23 board;

24 (4) the method of removal from office of members of
25 the board;

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

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

9 (7) that the board of managers shall annually supply
10 to all unit owners an itemized accounting of the common
11 expenses for the preceding year actually incurred or paid,
12 together with an indication of which portions were for
13 reserves, capital expenditures or repairs or payment of
14 real estate taxes and with a tabulation of the amounts
15 collected pursuant to the budget or assessment, and
16 showing the net excess or deficit of income over
17 expenditures plus reserves;

18 (8) (i) that each unit owner shall receive notice, in
19 the same manner as is provided in this Act for membership
20 meetings, of any meeting of the board of managers
21 concerning the adoption of the proposed annual budget and
22 regular assessments pursuant thereto or to adopt a
23 separate (special) assessment, (ii) that except as
24 provided in subsection (iv) below, if an adopted budget or
25 any separate assessment adopted by the board would result
26 in the sum of all regular and separate assessments payable

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

1 managers may adopt separate assessments payable over more
2 than one fiscal year. With respect to multi-year
3 assessments not governed by items (iv) and (v), the entire
4 amount of the multi-year assessment shall be deemed
5 considered and authorized in the first fiscal year in
6 which the assessment is approved;

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

25 (B) that board members may participate in and act at
26 any meeting of the board of managers in person, by

1 telephonic means, or by use of any acceptable
2 technological means whereby all persons participating in
3 the meeting can communicate with each other; that
4 participation constitutes attendance and presence in
5 person at the meeting;

6 (C) that any unit owner may record the proceedings at
7 meetings of the board of managers or portions thereof
8 required to be open by this Act by tape, film or other
9 means, and that the board may prescribe reasonable rules
10 and regulations to govern the right to make such
11 recordings;

12 (D) that notice of every meeting of the board of
13 managers shall be given to every board member at least 48
14 hours prior thereto, unless the board member waives notice
15 of the meeting pursuant to subsection (a) of Section 18.8;
16 and

17 (E) that notice of every meeting of the board of
18 managers shall be posted in entranceways, elevators, or
19 other conspicuous places in the condominium at least 48
20 hours prior to the meeting of the board of managers except
21 where there is no common entranceway for 7 or more units,
22 the board of managers may designate one or more locations
23 in the proximity of these units where the notices of
24 meetings shall be posted; that notice of every meeting of
25 the board of managers shall also be given at least 48 hours
26 prior to the meeting, or such longer notice as this Act may

1 separately require, to: (i) each unit owner who has
2 provided the association with written authorization to
3 conduct business by acceptable technological means, and
4 (ii) to the extent that the condominium instruments of an
5 association require, to each other unit owner, as required
6 by subsection (f) of Section 18.8, by mail or delivery,
7 and that no other notice of a meeting of the board of
8 managers need be given to any unit owner;

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

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

14 (12) the designation of an officer to mail and receive
15 all notices and execute amendments to condominium
16 instruments as provided for in this Act and in the
17 condominium instruments;

18 (13) the method of filling vacancies on the board
19 which shall include authority for the remaining members of
20 the board to fill the vacancy by two-thirds vote until the
21 next annual meeting of unit owners or for a period
22 terminating no later than 30 days following the filing of
23 a petition signed by unit owners holding 20% of the votes
24 of the association requesting a meeting of the unit owners
25 to fill the vacancy for the balance of the term, and that a
26 meeting of the unit owners shall be called for purposes of

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

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

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

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

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

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

15 (19) that special meetings of the board of managers
16 can be called by the president or 25% of the members of the
17 board;

18 (20) that the board of managers may establish and
19 maintain a system of master metering of public utility
20 services and collect payments in connection therewith,
21 subject to the requirements of the Tenant Utility Payment
22 Disclosure Act; and

23 (21) that the board may ratify and confirm actions of
24 the members of the board taken in response to an
25 emergency, as that term is defined in subdivision
26 (a) (8) (iv) of this Section; that the board shall give

1 notice to the unit owners of: (i) the occurrence of the
2 emergency event within 7 business days after the emergency
3 event, and (ii) the general description of the actions
4 taken to address the event within 7 days after the
5 emergency event.

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

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

21 (2) that the association shall have one class of
22 voting membership;

23 (3) that the members shall hold an annual meeting, one
24 of the purposes of which shall be to elect members of the
25 board of managers;

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

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

4 (6) that written notice of any membership meeting
5 shall be mailed or delivered giving members no less than
6 10 and no more than 30 days notice of the time, place and
7 purpose of such meeting except that notice may be sent, to
8 the extent the condominium instruments or rules adopted
9 thereunder expressly so provide, by electronic
10 transmission consented to by the unit owner to whom the
11 notice is given, provided the director and officer or his
12 agent certifies in writing to the delivery by electronic
13 transmission;

14 (7) that voting shall be on a percentage basis, and
15 that the percentage vote to which each unit is entitled is
16 the percentage interest of the undivided ownership of the
17 common elements appurtenant thereto, provided that the
18 bylaws may provide for approval by unit owners in
19 connection with matters where the requisite approval on a
20 percentage basis is not specified in this Act, on the
21 basis of one vote per unit;

22 (8) that, where there is more than one owner of a unit,
23 if only one of the multiple owners is present at a meeting
24 of the association, he is entitled to cast all the votes
25 allocated to that unit, if more than one of the multiple
26 owners are present, the votes allocated to that unit may

1 be cast only in accordance with the agreement of a
2 majority in interest of the multiple owners, unless the
3 declaration expressly provides otherwise, that there is
4 majority agreement if any one of the multiple owners cast
5 the votes allocated to that unit without protest being
6 made promptly to the person presiding over the meeting by
7 any of the other owners of the unit;

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

23 (B) that if a rule adopted at least 120 days before a
24 board election or the declaration or bylaws provide for
25 balloting as set forth in this subsection, unit owners may
26 not vote by proxy in board elections, but may vote only (i)

1 by submitting an association-issued ballot in person at
2 the election meeting or (ii) by submitting an
3 association-issued ballot to the association or its
4 designated agent by mail or other means of delivery
5 specified in the declaration, bylaws, or rule; that the
6 ballots shall be mailed or otherwise distributed to unit
7 owners not less than 10 and not more than 30 days before
8 the election meeting, and the board shall give unit owners
9 not less than 21 days' prior written notice of the
10 deadline for inclusion of a candidate's name on the
11 ballots; that the deadline shall be no more than 7 days
12 before the ballots are mailed or otherwise distributed to
13 unit owners; that every such ballot must include the names
14 of all candidates who have given the board or its
15 authorized agent timely written notice of their candidacy
16 and must give the person casting the ballot the
17 opportunity to cast votes for candidates whose names do
18 not appear on the ballot; that a ballot received by the
19 association or its designated agent after the close of
20 voting shall not be counted; that a unit owner who submits
21 a ballot by mail or other means of delivery specified in
22 the declaration, bylaws, or rule may request and cast a
23 ballot in person at the election meeting, and thereby void
24 any ballot previously submitted by that unit owner;

25 (B-5) that if a rule adopted at least 120 days before a
26 board election or the declaration or bylaws provide for

1 balloting as set forth in this subparagraph, unit owners
2 may not vote by proxy in board elections, but may vote only
3 (i) by submitting an association-issued ballot in person
4 at the election meeting; or (ii) by any acceptable
5 technological means as defined in Section 2 of this Act;
6 instructions regarding the use of electronic means for
7 voting shall be distributed to all unit owners not less
8 than 10 and not more than 30 days before the election
9 meeting, and the board shall give unit owners not less
10 than 21 days' prior written notice of the deadline for
11 inclusion of a candidate's name on the ballots; the
12 deadline shall be no more than 7 days before the
13 instructions for voting using electronic or acceptable
14 technological means is distributed to unit owners; every
15 instruction notice must include the names of all
16 candidates who have given the board or its authorized
17 agent timely written notice of their candidacy and must
18 give the person voting through electronic or acceptable
19 technological means the opportunity to cast votes for
20 candidates whose names do not appear on the ballot; a unit
21 owner who submits a vote using electronic or acceptable
22 technological means may request and cast a ballot in
23 person at the election meeting, thereby voiding any vote
24 previously submitted by that unit owner;

25 (C) that if a written petition by unit owners with at
26 least 20% of the votes of the association is delivered to

1 the board within 30 days after the board's approval of a
2 rule adopted pursuant to subparagraph (B) or subparagraph
3 (B-5) of this paragraph (9), the board shall call a
4 meeting of the unit owners within 30 days after the date of
5 delivery of the petition; that unless a majority of the
6 total votes of the unit owners are cast at the meeting to
7 reject the rule, the rule is ratified;

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

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

22 (11) that in the event of a resale of a condominium
23 unit the purchaser of a unit from a seller other than the
24 developer pursuant to an installment sales contract for
25 purchase shall during such times as he or she resides in
26 the unit be counted toward a quorum for purposes of

1 election of members of the board of managers at any
2 meeting of the unit owners called for purposes of electing
3 members of the board, shall have the right to vote for the
4 election of members of the board of managers and to be
5 elected to and serve on the board of managers unless the
6 seller expressly retains in writing any or all of such
7 rights. In no event may the seller and purchaser both be
8 counted toward a quorum, be permitted to vote for a
9 particular office or be elected and serve on the board.
10 Satisfactory evidence of the installment sales contract
11 shall be made available to the association or its agents.
12 For purposes of this subsection, "installment sales
13 contract" shall have the same meaning as set forth in
14 Section 5 of the Installment Sales Contract Act and
15 Section 1(e) of the Dwelling Unit Installment Contract
16 Act;

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

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

26 (i) merger or consolidation of the association;

1 (ii) sale, lease, exchange, or other disposition
2 (excluding the mortgage or pledge) of all, or
3 substantially all of the property and assets of the
4 association; and

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

7 (c) Election of a president from among the board of
8 managers, who shall preside over the meetings of the board
9 of managers and of the unit owners.

10 (d) Election of a secretary from among the board of
11 managers, who shall keep the minutes of all meetings of
12 the board of managers and of the unit owners and who shall,
13 in general, perform all the duties incident to the office
14 of secretary.

15 (e) Election of a treasurer from among the board of
16 managers, who shall keep the financial records and books
17 of account.

18 (f) Maintenance, repair and replacement of the common
19 elements and payments therefor, including the method of
20 approving payment vouchers.

21 (g) An association with 30 or more units shall obtain
22 and maintain fidelity insurance covering persons who
23 control or disburse funds of the association for the
24 maximum amount of coverage available to protect funds in
25 the custody or control of the association plus the
26 association reserve fund. All management companies which

1 are responsible for the funds held or administered by the
2 association shall maintain and furnish to the association
3 a fidelity bond for the maximum amount of coverage
4 available to protect funds in the custody of the
5 management company at any time. The association shall bear
6 the cost of the fidelity insurance and fidelity bond,
7 unless otherwise provided by contract between the
8 association and a management company. The association
9 shall be the direct obligee of any such fidelity bond. A
10 management company holding reserve funds of an association
11 shall at all times maintain a separate account for each
12 association, provided, however, that for investment
13 purposes, the Board of Managers of an association may
14 authorize a management company to maintain the
15 association's reserve funds in a single interest bearing
16 account with similar funds of other associations. The
17 management company shall at all times maintain records
18 identifying all moneys of each association in such
19 investment account. The management company may hold all
20 operating funds of associations which it manages in a
21 single operating account but shall at all times maintain
22 records identifying all moneys of each association in such
23 operating account. Such operating and reserve funds held
24 by the management company for the association shall not be
25 subject to attachment by any creditor of the management
26 company.

1 For the purpose of this subsection, a management
2 company shall be defined as a person, partnership,
3 corporation, or other legal entity entitled to transact
4 business on behalf of others, acting on behalf of or as an
5 agent for a unit owner, unit owners or association of unit
6 owners for the purpose of carrying out the duties,
7 responsibilities, and other obligations necessary for the
8 day to day operation and management of any property
9 subject to this Act. For purposes of this subsection, the
10 term "fiduciary insurance coverage" shall be defined as
11 both a fidelity bond and directors and officers liability
12 coverage, the fidelity bond in the full amount of
13 association funds and association reserves that will be in
14 the custody of the association, and the directors and
15 officers liability coverage at a level as shall be
16 determined to be reasonable by the board of managers, if
17 not otherwise established by the declaration or by laws.

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

24 (h) Method of estimating the amount of the annual
25 budget, and the manner of assessing and collecting from
26 the unit owners their respective shares of such estimated

1 expenses, and of any other expenses lawfully agreed upon.

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

7 (j) Designation and removal of personnel necessary for
8 the maintenance, repair and replacement of the common
9 elements.

10 (k) Such restrictions on and requirements respecting
11 the use and maintenance of the units and the use of the
12 common elements, not set forth in the declaration, as are
13 designed to prevent unreasonable interference with the use
14 of their respective units and of the common elements by
15 the several unit owners.

16 (l) Method of adopting and of amending administrative
17 rules and regulations governing the operation and use of
18 the common elements.

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

23 (n) (i) The provisions of this Act, the declaration,
24 bylaws, other condominium instruments, and rules and
25 regulations that relate to the use of the individual unit
26 or the common elements shall be applicable to any person

1 leasing a unit and shall be deemed to be incorporated in
2 any lease executed or renewed on or after August 30, 1984
3 (the effective date of Public Act 83-1271).

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

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

24 (p) That when 30% or fewer of the units, by number,
25 possess over 50% in the aggregate of the votes in the
26 association, any percentage vote of members specified

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

20 (q) That a unit owner may not assign, delegate,
21 transfer, surrender, or avoid the duties,
22 responsibilities, and liabilities of a unit owner under
23 this Act, the condominium instruments, or the rules and
24 regulations of the Association; and that such an attempted
25 assignment, delegation, transfer, surrender, or avoidance
26 shall be deemed void.

1 (r) Unless a lesser percentage of ownership is
2 provided for in the bylaws, no person, heir assign, family
3 member, affiliate, partnership, corporation, proxy of a
4 corporation and its beneficial owners, other legal entity
5 entitled to transact business on behalf of others, or
6 legal entity acting on behalf of a corporation or its
7 beneficial owners may own more than 10% of the units for a
8 property containing 30 or more units, more than 15% of the
9 units for a property containing 20 to 29 units, more than
10 20% of the units for a property containing 5 to 19 units,
11 and no more than a single unit for a property containing
12 fewer than 5 units.

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

20 (Source: P.A. 99-472, eff. 6-1-16; 99-567, eff. 1-1-17;
21 99-642, eff. 7-28-16; 100-292, eff. 1-1-18; 100-416, eff.
22 1-1-18; 100-863, eff. 8-14-18.)

23 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

24 Sec. 18.4. Powers and duties of board of managers. The
25 board of managers shall exercise for the association all

1 powers, duties and authority vested in the association by law
2 or the condominium instruments except for such powers, duties
3 and authority reserved by law to the members of the
4 association. The powers and duties of the board of managers
5 shall include, but shall not be limited to, the following:

6 (a) To provide for the operation, care, upkeep,
7 maintenance, replacement and improvement of the common
8 elements. Nothing in this subsection (a) shall be deemed
9 to invalidate any provision in a condominium instrument
10 placing limits on expenditures for the common elements,
11 provided, that such limits shall not be applicable to
12 expenditures for repair, replacement, or restoration of
13 existing portions of the common elements. The term
14 "repair, replacement or restoration" means expenditures to
15 deteriorated or damaged portions of the property related
16 to the existing decorating, facilities, or structural or
17 mechanical components, interior or exterior surfaces, or
18 energy systems and equipment with the functional
19 equivalent of the original portions of such areas.
20 Replacement of the common elements may result in an
21 improvement over the original quality of such elements or
22 facilities; provided that, unless the improvement is
23 mandated by law or is an emergency as defined in item (iv)
24 of subparagraph (8) of paragraph (a) of Section 18, if the
25 improvement results in a proposed expenditure exceeding 5%
26 of the annual budget, the board of managers, upon written

1 petition by unit owners with 20% of the votes of the
2 association delivered to the board within 21 days of the
3 board action to approve the expenditure, shall call a
4 meeting of the unit owners within 30 days of the date of
5 delivery of the petition to consider the expenditure.
6 Unless a majority of the total votes of the unit owners are
7 cast at the meeting to reject the expenditure, it is
8 ratified. The board of managers shall obtain statements
9 from licensed independent contractors validating the need
10 and the cost for any expenditures for repair, replacement,
11 or restoration of the common elements.

12 (b) To prepare, adopt and distribute the annual budget
13 for the property.

14 (c) To levy and expend assessments.

15 (d) To collect assessments from unit owners.

16 (e) To provide for the employment and dismissal of the
17 personnel necessary or advisable for the maintenance and
18 operation of the common elements.

19 (f) To obtain adequate and appropriate kinds of
20 insurance.

21 (g) To own, convey, encumber, lease, and otherwise
22 deal with units conveyed to or purchased by it.

23 (h) To adopt and amend rules and regulations covering
24 the details of the operation and use of the property,
25 after a meeting of the unit owners called for the specific
26 purpose of discussing the proposed rules and regulations.

1 Notice of the meeting shall contain the full text of the
2 proposed rules and regulations, and the meeting shall
3 conform to the requirements of Section 18(b) of this Act,
4 except that no quorum is required at the meeting of the
5 unit owners unless the declaration, bylaws or other
6 condominium instrument expressly provides to the contrary.
7 However, no rule or regulation may impair any rights
8 guaranteed by the First Amendment to the Constitution of
9 the United States or Section 4 of Article I of the Illinois
10 Constitution including, but not limited to, the free
11 exercise of religion, nor may any rules or regulations
12 conflict with the provisions of this Act or the
13 condominium instruments. No rule or regulation shall
14 prohibit any reasonable accommodation for religious
15 practices, including the attachment of religiously
16 mandated objects to the front-door area of a condominium
17 unit.

18 (i) To keep detailed, accurate records of the receipts
19 and expenditures affecting the use and operation of the
20 property.

21 (j) To have access to each unit from time to time as
22 may be necessary for the maintenance, repair or
23 replacement of any common elements or for making emergency
24 repairs necessary to prevent damage to the common elements
25 or to other units.

26 (k) To pay real property taxes, special assessments,

1 and any other special taxes or charges of the State of
2 Illinois or of any political subdivision thereof, or other
3 lawful taxing or assessing body, which are authorized by
4 law to be assessed and levied upon the real property of the
5 condominium.

6 (l) To impose charges for late payment of a unit
7 owner's proportionate share of the common expenses, or any
8 other expenses lawfully agreed upon, and after notice and
9 an opportunity to be heard, to levy reasonable fines for
10 violation of the declaration, by-laws, and rules and
11 regulations of the association.

12 (m) By a majority vote of the entire board of
13 managers, to assign the right of the association to future
14 income from common expenses or other sources, and to
15 mortgage or pledge substantially all of the remaining
16 assets of the association.

17 (n) To record the dedication of a portion of the
18 common elements to a public body for use as, or in
19 connection with, a street or utility where authorized by
20 the unit owners under the provisions of Section 14.2.

21 (o) To record the granting of an easement for the
22 laying of cable television or high speed Internet cable
23 where authorized by the unit owners under the provisions
24 of Section 14.3; to obtain, if available and determined by
25 the board to be in the best interests of the association,
26 cable television or bulk high speed Internet service for

1 all of the units of the condominium on a bulk identical
2 service and equal cost per unit basis; and to assess and
3 recover the expense as a common expense and, if so
4 determined by the board, to assess each and every unit on
5 the same equal cost per unit basis.

6 (p) To seek relief on behalf of all unit owners when
7 authorized pursuant to subsection (c) of Section 10 from
8 or in connection with the assessment or levying of real
9 property taxes, special assessments, and any other special
10 taxes or charges of the State of Illinois or of any
11 political subdivision thereof or of any lawful taxing or
12 assessing body.

13 (q) To reasonably accommodate the needs of a unit
14 owner who is a person with a disability as required by the
15 federal Civil Rights Act of 1968, the Human Rights Act and
16 any applicable local ordinances in the exercise of its
17 powers with respect to the use of common elements or
18 approval of modifications in an individual unit.

19 (r) To accept service of a notice of claim for
20 purposes of the Mechanics Lien Act on behalf of each
21 respective member of the Unit Owners' Association with
22 respect to improvements performed pursuant to any contract
23 entered into by the Board of Managers or any contract
24 entered into prior to the recording of the condominium
25 declaration pursuant to this Act, for a property
26 containing more than 8 units, and to distribute the notice

1 to the unit owners within 7 days of the acceptance of the
2 service by the Board of Managers. The service shall be
3 effective as if each individual unit owner had been served
4 individually with notice.

5 (s) To adopt and amend rules and regulations (1)
6 authorizing electronic delivery of notices and other
7 communications required or contemplated by this Act to
8 each unit owner who provides the association with written
9 authorization for electronic delivery and an electronic
10 address to which such communications are to be
11 electronically transmitted; and (2) authorizing each unit
12 owner to designate an electronic address or a U.S. Postal
13 Service address, or both, as the unit owner's address on
14 any list of members or unit owners which an association is
15 required to provide upon request pursuant to any provision
16 of this Act or any condominium instrument.

17 (t) To reject any arrangement that establishes an
18 agreement for a buyer to purchase a condominium building,
19 including a letter of intent.

20 (u) To refrain from investigating an offer to purchase
21 a condominium property or listing the property for sale
22 without first receiving authorization from the association
23 through an affirmative vote of not less than 75% of unit
24 owners based on the percentage of ownership.

25 In the performance of their duties, the officers and
26 members of the board, whether appointed by the developer or

1 elected by the unit owners, shall exercise the care required
2 of a fiduciary of the unit owners. Every officer and member of
3 the board who violates, participates in, or permits any
4 officer, agent, or assign of the board to breach his or her
5 fiduciary duty shall be held liable in his or her personal or
6 individual capacity under this Section for the following:

7 (1) an act or omission that is grossly negligent;

8 (2) a breach of the officer's duty of loyalty to the
9 association;

10 (3) an act or omission not in good faith or that
11 involves intentional misconduct or a knowing violation of
12 the law;

13 (4) a transaction from which the officer derived an
14 improper personal benefit; or

15 (5) an act or omission occurring before the effective
16 date of a provision authorized by this Section.

17 The collection of assessments from unit owners by an
18 association, board of managers or their duly authorized agents
19 shall not be considered acts constituting a collection agency
20 for purposes of the Collection Agency Act.

21 The provisions of this Section are applicable to all
22 condominium instruments recorded under this Act. Any portion
23 of a condominium instrument which contains provisions contrary
24 to these provisions shall be void as against public policy and
25 ineffective. Any such instrument that fails to contain the
26 provisions required by this Section shall be deemed to

1 incorporate such provisions by operation of law.

2 (Source: P.A. 99-143, eff. 7-27-15; 99-849, eff. 1-1-17;
3 100-292, eff. 1-1-18.)

4 (765 ILCS 605/19) (from Ch. 30, par. 319)

5 Sec. 19. Records of the association; availability for
6 examination.

7 (a) The board of managers of every association shall keep
8 and maintain the following records, or true and complete
9 copies of these records, at the association's principal
10 office:

11 (1) the association's declaration, bylaws, and plats
12 of survey, and all amendments of these;

13 (2) the rules and regulations of the association, if
14 any;

15 (3) if the association is incorporated as a
16 corporation, the articles of incorporation of the
17 association and all amendments to the articles of
18 incorporation;

19 (4) minutes of all meetings of the association and its
20 board of managers for the immediately preceding 7 years;

21 (5) all current policies of insurance of the
22 association;

23 (6) all contracts, leases, and other agreements then
24 in effect to which the association is a party or under
25 which the association or the unit owners have obligations

1 or liabilities;

2 (6.5) all statements from licensed independent
3 contractors validating the need and the cost for any
4 expenditures for repair, replacement, or restoration of
5 the common elements;

6 (7) a current listing of the names, addresses, email
7 addresses, telephone numbers, and weighted vote of all
8 members entitled to vote;

9 (8) ballots and proxies related to ballots for all
10 matters voted on by the members of the association during
11 the immediately preceding 12 months, including, but not
12 limited to, the election of members of the board of
13 managers; ~~and~~

14 (9) the books and records for the association's
15 current and 10 immediately preceding fiscal years,
16 including, but not limited to, itemized and detailed
17 records of all receipts, expenditures, and accounts; ~~and~~ -

18 (10) the communications of any member of the board of
19 managers regarding an attempt to sell the condominium
20 property.

21 (b) Any member of an association shall have the right to
22 inspect, examine, and make copies of the records described in
23 subdivisions (1), (2), (3), (4), (5), (6), (6.5), ~~and~~ (9), ~~and~~
24 (10) of subsection (a) of this Section, in person or by agent,
25 at any reasonable time or times, at the association's
26 principal office. The board of managers shall provide unit

1 owners a copy of the records described in subdivision (6.5) of
2 subsection (a), so that the unit owners may review them before
3 voting to approve expenditures. In order to exercise this
4 right, a member must submit a written request to the
5 association's board of managers or its authorized agent,
6 stating with particularity the records sought to be examined.
7 Failure of an association's board of managers to make
8 available all records so requested within 10 business days of
9 receipt of the member's written request shall be deemed a
10 denial.

11 Any member who prevails in an enforcement action to compel
12 examination of records described in subdivisions (1), (2),
13 (3), (4), (5), (6), (6.5), ~~and~~ (9), and (10) of subsection (a)
14 of this Section shall be entitled to recover reasonable
15 attorney's fees and costs from the association.

16 (c) (Blank).

17 (d) (Blank).

18 (d-5) As used in this Section, "commercial purpose" means
19 the use of any part of a record or records described in
20 subdivisions (7) and (8) of subsection (a) of this Section, or
21 information derived from such records, in any form for sale,
22 resale, or solicitation or advertisement for sales or
23 services.

24 (e) Except as otherwise provided in subsection (g) of this
25 Section, any member of an association shall have the right to
26 inspect, examine, and make copies of the records described in

1 subdivisions (7) and (8) of subsection (a) of this Section, in
2 person or by agent, at any reasonable time or times but only
3 for a purpose that relates to the association, at the
4 association's principal office. In order to exercise this
5 right, a member must submit a written request, to the
6 association's board of managers or its authorized agent,
7 stating with particularity the records sought to be examined.
8 As a condition for exercising this right, the board of
9 managers or authorized agent of the association may require
10 the member to certify in writing that the information
11 contained in the records obtained by the member will not be
12 used by the member for any commercial purpose or for any
13 purpose that does not relate to the association. The board of
14 managers of the association may impose a fine in accordance
15 with item (1) of Section 18.4 upon any person who makes a false
16 certification. Subject to the provisions of subsection (g) of
17 this Section, failure of an association's board of managers to
18 make available all records so requested within 10 business
19 days of receipt of the member's written request shall be
20 deemed a denial; provided, however, that the board of managers
21 of an association that has adopted a secret ballot election
22 process as provided in Section 18 of this Act shall not be
23 deemed to have denied a member's request for records described
24 in subdivision (8) of subsection (a) of this Section if voting
25 ballots, without identifying unit numbers, are made available
26 to the requesting member within 10 business days of receipt of

1 the member's written request. All information and
2 documentation regarding the process, including all parties
3 involved and all information and documentation regarding the
4 need for and cost of a repair, replacement, or other alleged
5 need for a special assessment for the condominium property,
6 shall be disclosed to all unit owners at least 30 days prior to
7 a vote.

8 Any member who prevails in an enforcement action to compel
9 examination of records described in subdivision (7) or (8) of
10 subsection (a) of this Section shall be entitled to recover
11 reasonable attorney's fees and costs from the association only
12 if the court finds that the board of directors acted in bad
13 faith in denying the member's request.

14 (f) The actual cost to the association of retrieving and
15 making requested records available for inspection and
16 examination under this Section may be charged by the
17 association to the requesting member. If a member requests
18 copies of records requested under this Section, the actual
19 costs to the association of reproducing the records may also
20 be charged by the association to the requesting member.

21 (g) Notwithstanding the provisions of subsection (e) of
22 this Section, unless otherwise directed by court order, an
23 association need not make the following records available for
24 inspection, examination, or copying by its members:

- 25 (1) documents relating to appointment, employment,
26 discipline, or dismissal of association employees;

1 (2) documents relating to actions pending against or
2 on behalf of the association or its board of managers in a
3 court or administrative tribunal;

4 (3) documents relating to actions threatened against,
5 or likely to be asserted on behalf of, the association or
6 its board of managers in a court or administrative
7 tribunal;

8 (4) documents relating to common expenses or other
9 charges owed by a member other than the requesting member;
10 and

11 (5) documents provided to an association in connection
12 with the lease, sale, or other transfer of a unit by a
13 member other than the requesting member.

14 (h) The provisions of this Section are applicable to all
15 condominium instruments recorded under this Act. Any portion
16 of a condominium instrument that contains provisions contrary
17 to these provisions shall be void as against public policy and
18 ineffective. Any condominium instrument that fails to contain
19 the provisions required by this Section shall be deemed to
20 incorporate the provisions by operation of law.

21 (Source: P.A. 100-292, eff. 1-1-18; 100-863, eff. 8-14-18.)

1 INDEX

2 Statutes amended in order of appearance

3 765 ILCS 160/1-30

4 765 ILCS 605/9 from Ch. 30, par. 309

5 765 ILCS 605/15 from Ch. 30, par. 315

6 765 ILCS 605/18 from Ch. 30, par. 318

7 765 ILCS 605/18.4 from Ch. 30, par. 318.4

8 765 ILCS 605/19 from Ch. 30, par. 319