



Rep. Sandra M. Pihos

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09500HB5189ham002

LRB095 18627 LCT 49178 a

1 AMENDMENT TO HOUSE BILL 5189

2 AMENDMENT NO. _____. Amend House Bill 5189, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Condominium Property Act is amended by
6 changing Sections 18 and 18.4 as follows:

7 (765 ILCS 605/18) (from Ch. 30, par. 318)

8 (Text of Section before amendment by P.A. 95-624)

9 Sec. 18. Contents of bylaws. The bylaws shall provide for
10 at least the following:

11 (a) (1) The election from among the unit owners of a board
12 of managers, the number of persons constituting such board,
13 and that the terms of at least one-third of the members of
14 the board shall expire annually and that all members of the
15 board shall be elected at large. If there are multiple
16 owners of a single unit, only one of the multiple owners

1 shall be eligible to serve as a member of the board at any
2 one time.

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

4 (3) the compensation, if any, of the members of the
5 board;

6 (4) the method of removal from office of members of the
7 board;

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

10 (6) that each unit owner shall receive, at least 30
11 days prior to the adoption thereof by the board of
12 managers, a copy of the proposed annual budget together
13 with an indication of which portions are intended for
14 reserves, capital expenditures or repairs or payment of
15 real estate taxes;

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

25 (8) (i) that each unit owner shall receive notice, in
26 the same manner as is provided in this Act for membership

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

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

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

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

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

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

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

26 (13) the method of filling vacancies on the board which

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

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

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

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

1 owners, for an election to approve or disapprove the
2 contract; such petition shall be filed within 20 days after
3 such notice and such election shall be held within 30 days
4 after filing the petition; for purposes of this subsection,
5 a board member's immediate family means the board member's
6 spouse, parents, and children;

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

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

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

24 (20) that the board of managers may establish and
25 maintain a system of master metering of public utility
26 services and collect payments in connection therewith,

1 subject to the requirements of the Tenant Utility Payment
2 Disclosure Act.

3 (b) (1) What percentage of the unit owners, if other than
4 20%, shall constitute a quorum provided that, for
5 condominiums with 20 or more units, the percentage of unit
6 owners constituting a quorum shall be 20% unless the unit
7 owners holding a majority of the percentage interest in the
8 association provide for a higher percentage;

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

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

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

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

18 (6) that written notice of any membership meeting shall
19 be mailed or delivered giving members no less than 10 and
20 no more than 30 days notice of the time, place and purpose
21 of such meeting;

22 (7) that voting shall be on a percentage basis, and
23 that the percentage vote to which each unit is entitled is
24 the percentage interest of the undivided ownership of the
25 common elements appurtenant thereto, provided that the
26 bylaws may provide for approval by unit owners in

1 connection with matters where the requisite approval on a
2 percentage basis is not specified in this Act, on the basis
3 of one vote per unit;

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

16 (9) (A) that unless the Articles of Incorporation or the
17 bylaws otherwise provide, and except as provided in
18 subparagraph (B) of this paragraph (9) in connection with
19 board elections, a unit owner may vote by proxy executed in
20 writing by the unit owner or by his duly authorized
21 attorney in fact; that the proxy must bear the date of
22 execution and, unless the condominium instruments or the
23 written proxy itself provide otherwise, is invalid after 11
24 months from the date of its execution;

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

1 (C) that if a written petition by unit owners with at
2 least 20% of the votes of the association is delivered to
3 the board within 14 days after the board's approval of a
4 rule adopted pursuant to subparagraph (B) of this paragraph
5 (9), the board shall call a meeting of the unit owners
6 within 30 days after the date of delivery of the petition;
7 that unless a majority of the total votes of the unit
8 owners are cast at the meeting to reject the rule, the rule
9 is ratified;

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

20 (11) that in the event of a resale of a condominium
21 unit the purchaser of a unit from a seller other than the
22 developer pursuant to an installment contract for purchase
23 shall during such times as he or she resides in the unit be
24 counted toward a quorum for purposes of election of members
25 of the board of managers at any meeting of the unit owners
26 called for purposes of electing members of the board, shall

1 have the right to vote for the election of members of the
2 board of managers and to be elected to and serve on the
3 board of managers unless the seller expressly retains in
4 writing any or all of such rights. In no event may the
5 seller and purchaser both be counted toward a quorum, be
6 permitted to vote for a particular office or be elected and
7 serve on the board. Satisfactory evidence of the
8 installment contact shall be made available to the
9 association or its agents. For purposes of this subsection,
10 "installment contact" shall have the same meaning as set
11 forth in Section 1 (e) of "An Act relating to installment
12 contracts to sell dwelling structures", approved August
13 11, 1967, as amended;

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

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

23 (i) merger or consolidation of the association;

24 (ii) sale, lease, exchange, or other disposition
25 (excluding the mortgage or pledge) of all, or
26 substantially all of the property and assets of the

1 association; and

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

4 (c) Election of a president from among the board of
5 managers, who shall preside over the meetings of the board of
6 managers and of the unit owners.

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

12 (e) Election of a treasurer from among the board of
13 managers, who shall keep the financial records and books of
14 account.

15 (f) Maintenance, repair and replacement of the common
16 elements and payments therefor, including the method of
17 approving payment vouchers.

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

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

21 For the purpose of this subsection a management company
22 shall be defined as a person, partnership, corporation, or
23 other legal entity entitled to transact business on behalf of
24 others, acting on behalf of or as an agent for a unit owner,
25 unit owners or association of unit owners for the purpose of
26 carrying out the duties, responsibilities, and other

1 obligations necessary for the day to day operation and
2 management of any property subject to this Act. For purposes of
3 this subsection, the term "fiduciary insurance coverage" shall
4 be defined as both a fidelity bond and directors and officers
5 liability coverage, the fidelity bond in the full amount of
6 association funds and association reserves that will be in the
7 custody of the association, and the directors and officers
8 liability coverage at a level as shall be determined to be
9 reasonable by the board of managers, if not otherwise
10 established by the declaration or by laws.

11 Until one year after the effective date of this amendatory
12 Act of 1985, if a condominium association has reserves plus
13 assessments in excess of \$250,000 and cannot reasonably obtain
14 100% fidelity bond coverage for such amount, then it must
15 obtain a fidelity bond coverage of \$250,000.

16 (h) Method of estimating the amount of the annual budget,
17 and the manner of assessing and collecting from the unit owners
18 their respective shares of such estimated expenses, and of any
19 other expenses lawfully agreed upon.

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

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

1 (k) Such restrictions on and requirements respecting the
2 use and maintenance of the units and the use of the common
3 elements, not set forth in the declaration, as are designed to
4 prevent unreasonable interference with the use of their
5 respective units and of the common elements by the several unit
6 owners.

7 (l) Method of adopting and of amending administrative rules
8 and regulations governing the operation and use of the common
9 elements.

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

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

1 to enjoin a tenant from occupying a unit or seek to evict a
2 tenant under the provisions of Article IX of the Code of Civil
3 Procedure for failure of the lessor-owner to comply with the
4 leasing requirements prescribed by this Section or by the
5 declaration, bylaws, and rules and regulations. The board of
6 managers may proceed directly against a tenant, at law or in
7 equity, or under the provisions of Article IX of the Code of
8 Civil Procedure, for any other breach by tenant of any
9 covenants, rules, regulations or bylaws.

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

12 (p) That when 30% or fewer of the units, by number, possess
13 over 50% in the aggregate of the votes in the association, any
14 percentage vote of members specified herein or in the
15 condominium instruments shall require the specified percentage
16 by number of units rather than by percentage of interest in the
17 common elements allocated to units that would otherwise be
18 applicable.

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

25 The provisions of this Section are applicable to all
26 condominium instruments recorded under this Act. Any portion of

1 a condominium instrument which contains provisions contrary to
2 these provisions shall be void as against public policy and
3 ineffective. Any such instrument which fails to contain the
4 provisions required by this Section shall be deemed to
5 incorporate such provisions by operation of law.

6 (Source: P.A. 93-243, eff. 1-1-04.)

7 (Text of Section after amendment by P.A. 95-624)

8 Sec. 18. Contents of bylaws. The bylaws shall provide for
9 at least the following:

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

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

19 (3) the compensation, if any, of the members of the
20 board;

21 (4) the method of removal from office of members of the
22 board;

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

25 (6) that each unit owner shall receive, at least 30

1 days prior to the adoption thereof by the board of
2 managers, a copy of the proposed annual budget together
3 with an indication of which portions are intended for
4 reserves, capital expenditures or repairs or payment of
5 real estate taxes;

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

15 (8) (i) that each unit owner shall receive notice, in
16 the same manner as is provided in this Act for membership
17 meetings, of any meeting of the board of managers
18 concerning the adoption of the proposed annual budget and
19 regular assessments pursuant thereto or to adopt a separate
20 (special) assessment, (ii) that except as provided in
21 subsection (iv) below, if an adopted budget or any separate
22 assessment adopted by the board would result in the sum of
23 all regular and separate assessments payable in the current
24 fiscal year exceeding 115% of the sum of all regular and
25 separate assessments payable during the preceding fiscal
26 year, the board of managers, upon written petition by unit

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

1 considered and authorized in the first fiscal year in which
2 the assessment is approved;

3 (9) that meetings of the board of managers shall be
4 open to any unit owner, except for the portion of any
5 meeting held (i) to discuss litigation when an action
6 against or on behalf of the particular association has been
7 filed and is pending in a court or administrative tribunal,
8 or when the board of managers finds that such an action is
9 probable or imminent, (ii) to consider information
10 regarding appointment, employment or dismissal of an
11 employee, or (iii) to discuss violations of rules and
12 regulations of the association or a unit owner's unpaid
13 share of common expenses; that any vote on these matters
14 shall be taken at a meeting or portion thereof open to any
15 unit owner; that any unit owner may record the proceedings
16 at meetings or portions thereof required to be open by this
17 Act by tape, film or other means; that the board may
18 prescribe reasonable rules and regulations to govern the
19 right to make such recordings, that notice of such meetings
20 shall be mailed or delivered at least 48 hours prior
21 thereto, unless a written waiver of such notice is signed
22 by the person or persons entitled to such notice pursuant
23 to the declaration, bylaws, other condominium instrument,
24 or provision of law other than this subsection before the
25 meeting is convened, and that copies of notices of meetings
26 of the board of managers shall be posted in entranceways,

1 elevators, or other conspicuous places in the condominium
2 at least 48 hours prior to the meeting of the board of
3 managers except where there is no common entranceway for 7
4 or more units, the board of managers may designate one or
5 more locations in the proximity of these units where the
6 notices of meetings shall be posted;

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

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

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

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

1 the votes of the association requesting such a meeting, and
2 the method of filling vacancies among the officers that
3 shall include the authority for the members of the board to
4 fill the vacancy for the unexpired portion of the term;

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

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

9 (16) the board of managers may not enter into a
10 contract with a current board member or with a corporation
11 or partnership in which a board member or a member of the
12 board member's immediate family has 25% or more interest,
13 unless notice of intent to enter the contract is given to
14 unit owners within 20 days after a decision is made to
15 enter into the contract and the unit owners are afforded an
16 opportunity by filing a petition, signed by 20% of the unit
17 owners, 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,
21 a board member's immediate family means the board member's
22 spouse, parents, and children;

23 (17) that the board of managers may disseminate to unit
24 owners biographical and background information about
25 candidates for election to the board if (i) reasonable
26 efforts to identify all candidates are made and all

1 candidates are given an opportunity to include
2 biographical and background information in the information
3 to be disseminated; and (ii) the board does not express a
4 preference in favor of any candidate;

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6 board of managers gives unit owners the opportunity to
7 designate any person as the proxy holder, and gives the
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9 of the known candidates for the board or to write in a
10 name;

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13 board; and

14 (20) that the board of managers may establish and
15 maintain a system of master metering of public utility
16 services and collect payments in connection therewith,
17 subject to the requirements of the Tenant Utility Payment
18 Disclosure Act.

19 (b) (1) What percentage of the unit owners, if other than
20 20%, shall constitute a quorum provided that, for
21 condominiums with 20 or more units, the percentage of unit
22 owners constituting a quorum shall be 20% unless the unit
23 owners holding a majority of the percentage interest in the
24 association provide for a higher percentage;

25 (2) that the association shall have one class of
26 membership;

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

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

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

8 (6) that written notice of any membership meeting shall
9 be mailed or delivered giving members no less than 10 and
10 no more than 30 days notice of the time, place and purpose
11 of such meeting;

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

20 (8) that, where there is more than one owner of a unit,
21 if only one of the multiple owners is present at a meeting
22 of the association, he is entitled to cast all the votes
23 allocated to that unit, if more than one of the multiple
24 owners are present, the votes allocated to that unit may be
25 cast only in accordance with the agreement of a majority in
26 interest of the multiple owners, unless the declaration

1 expressly provides otherwise, that there is majority
2 agreement if any one of the multiple owners cast the votes
3 allocated to that unit without protest being made promptly
4 to the person presiding over the meeting by any of the
5 other owners of the unit;

6 (9) (A) that unless the Articles of Incorporation or the
7 bylaws otherwise provide, and except as provided in
8 subparagraph (B) of this paragraph (9) in connection with
9 board elections, a unit owner may vote by proxy executed in
10 writing by the unit owner or by his duly authorized
11 attorney in fact; that the proxy must bear the date of
12 execution and, unless the condominium instruments or the
13 written proxy itself provide otherwise, is invalid after 11
14 months from the date of its execution;

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

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

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

26 (10) that the association may, upon adoption of the

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

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

1 forth in Section 1 (e) of "An Act relating to installment
2 contracts to sell dwelling structures", approved August
3 11, 1967, as amended;

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

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

13 (i) merger or consolidation of the association;

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

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

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

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

1 secretary.

2 (e) Election of a treasurer from among the board of
3 managers, who shall keep the financial records and books of
4 account.

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

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

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

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

1 Until one year after the effective date of this amendatory
2 Act of 1985, if a condominium association has reserves plus
3 assessments in excess of \$250,000 and cannot reasonably obtain
4 100% fidelity bond coverage for such amount, then it must
5 obtain a fidelity bond coverage of \$250,000.

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

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

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

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

23 (l) Method of adopting and of amending administrative rules
24 and regulations governing the operation and use of the common
25 elements.

26 (m) The percentage of votes required to modify or amend the

1 bylaws, but each one of the particulars set forth in this
2 section shall always be embodied in the bylaws.

3 (n) (i) The provisions of this Act, the declaration,
4 bylaws, other condominium instruments, and rules and
5 regulations that relate to the use of the individual unit or
6 the common elements shall be applicable to any person leasing a
7 unit and shall be deemed to be incorporated in any lease
8 executed or renewed on or after the effective date of this
9 amendatory Act of 1984. (ii) With regard to any lease entered
10 into subsequent to the effective date of this amendatory Act of
11 1989, the unit owner leasing the unit shall deliver a copy of
12 the signed lease to the board or if the lease is oral, a
13 memorandum of the lease, not later than the date of occupancy
14 or 10 days after the lease is signed, whichever occurs first.
15 In addition to any other remedies, by filing an action jointly
16 against the tenant and the unit owner, an association may seek
17 to enjoin a tenant from occupying a unit or seek to evict a
18 tenant under the provisions of Article IX of the Code of Civil
19 Procedure for failure of the lessor-owner to comply with the
20 leasing requirements prescribed by this Section or by the
21 declaration, bylaws, and rules and regulations. However, if an
22 association that currently permits leasing amends its
23 declaration, bylaws, or rules and regulations, to prohibit
24 leasing, nothing in this Act or the declarations, bylaws, rules
25 and regulations of an association, shall prohibit a unit owner
26 who is leasing his or her unit or units at the time of the

1 prohibition from continuing to do so, until such time that the
2 unit owner voluntarily sells the unit or units; and no special
3 finances, fees, dues, or penalties shall be assessed against the
4 unit owner for leasing his or her unit or units. The board of
5 managers may proceed directly against a tenant, at law or in
6 equity, or under the provisions of Article IX of the Code of
7 Civil Procedure, for any other breach by tenant of any
8 covenants, rules, regulations or bylaws.

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

11 (p) That when 30% or fewer of the units, by number, possess
12 over 50% in the aggregate of the votes in the association, any
13 percentage vote of members specified herein or in the
14 condominium instruments shall require the specified percentage
15 by number of units rather than by percentage of interest in the
16 common elements allocated to units that would otherwise be
17 applicable. For purposes of this subsection (p), when making a
18 determination of whether 30% or fewer of the units, by number,
19 possess over 50% in the aggregate of the votes in the
20 association, a unit shall not include a garage unit or a
21 storage unit.

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

1 surrender, or avoidance shall be deemed void.

2 The provisions of this Section are applicable to all
3 condominium instruments recorded under this Act. Any portion of
4 a condominium instrument which contains provisions contrary to
5 these provisions shall be void as against public policy and
6 ineffective. Any such instrument which fails to contain the
7 provisions required by this Section shall be deemed to
8 incorporate such provisions by operation of law.

9 (Source: P.A. 95-624, eff. 6-1-08.)

10 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

11 Sec. 18.4. Powers and Duties of Board of Managers. The
12 board of managers shall exercise for the association all
13 powers, duties and authority vested in the association by law
14 or the condominium instruments except for such powers, duties
15 and authority reserved by law to the members of the
16 association. The powers and duties of the board of managers
17 shall include, but shall not be limited to, the following:

18 (a) To provide for the operation, care, upkeep,
19 maintenance, replacement and improvement of the common
20 elements. Nothing in this subsection (a) shall be deemed to
21 invalidate any provision in a condominium instrument
22 placing limits on expenditures for the common elements,
23 provided, that such limits shall not be applicable to
24 expenditures for repair, replacement, or restoration of
25 existing portions of the common elements. The term "repair,

1 replacement or restoration" means expenditures to
2 deteriorated or damaged portions of the property related to
3 the existing decorating, facilities, or structural or
4 mechanical components, interior or exterior surfaces, or
5 energy systems and equipment with the functional
6 equivalent of the original portions of such areas.
7 Replacement of the common elements may result in an
8 improvement over the original quality of such elements or
9 facilities; provided that, unless the improvement is
10 mandated by law or is an emergency as defined in item (iv)
11 of subparagraph (8) of paragraph (a) of Section 18, if the
12 improvement results in a proposed expenditure exceeding 5%
13 of the annual budget, the board of managers, upon written
14 petition by unit owners with 20% of the votes of the
15 association delivered to the board within 14 days of the
16 board action to approve the expenditure, shall call a
17 meeting of the unit owners within 30 days of the date of
18 delivery of the petition to consider the expenditure.
19 Unless a majority of the total votes of the unit owners are
20 cast at the meeting to reject the expenditure, it is
21 ratified.

22 (b) To prepare, adopt and distribute the annual budget
23 for the property.

24 (c) To levy and expend assessments.

25 (d) To collect assessments from unit owners.

26 (e) To provide for the employment and dismissal of the

1 personnel necessary or advisable for the maintenance and
2 operation of the common elements.

3 (f) To obtain adequate and appropriate kinds of
4 insurance.

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

7 (h) To adopt and amend rules and regulations covering
8 the details of the operation and use of the property, after
9 a meeting of the unit owners called for the specific
10 purpose of discussing the proposed rules and regulations.
11 Notice of the meeting shall contain the full text of the
12 proposed rules and regulations, and the meeting shall
13 conform to the requirements of Section 18(b) of this Act,
14 except that no quorum is required at the meeting of the
15 unit owners unless the declaration, bylaws or other
16 condominium instrument expressly provides to the contrary.
17 However, no rule or regulation may impair any rights
18 guaranteed by the First Amendment to the Constitution of
19 the United States or Section 4 of Article I of the Illinois
20 Constitution including, but not limited to, the free
21 exercise of religion, nor may any rules or regulations
22 conflict with the provisions of this Act or the condominium
23 instruments. No rule or regulation shall prohibit any
24 reasonable accommodation for religious practices,
25 including the attachment of religiously mandated objects
26 to the front-door area of a condominium unit. However, if

1 an association that currently permits leasing amends its
2 declaration, bylaws, or rules and regulations, to prohibit
3 leasing, nothing in this Act or the declarations, bylaws,
4 rules and regulations of an association, shall prohibit a
5 unit owner who is leasing his or her unit or units at the
6 time of the prohibition from continuing to do so, until
7 such time that the unit owner voluntarily sells the unit or
8 units; and no special fines, fees, dues, or penalties shall
9 be assessed against the unit owner for leasing his or her
10 unit or units.

11 (i) To keep detailed, accurate records of the receipts
12 and expenditures affecting the use and operation of the
13 property.

14 (j) To have access to each unit from time to time as
15 may be necessary for the maintenance, repair or replacement
16 of any common elements or for making emergency repairs
17 necessary to prevent damage to the common elements or to
18 other units.

19 (k) To pay real property taxes, special assessments,
20 and any other special taxes or charges of the State of
21 Illinois or of any political subdivision thereof, or other
22 lawful taxing or assessing body, which are authorized by
23 law to be assessed and levied upon the real property of the
24 condominium.

25 (l) To impose charges for late payment of a unit
26 owner's proportionate share of the common expenses, or any

1 other expenses lawfully agreed upon, and after notice and
2 an opportunity to be heard, to levy reasonable fines for
3 violation of the declaration, by-laws, and rules and
4 regulations of the association.

5 (m) Unless the condominium instruments expressly
6 provide to the contrary, by a majority vote of the entire
7 board of managers, to assign the right of the association
8 to future income from common expenses or other sources, and
9 to mortgage or pledge substantially all of the remaining
10 assets of the association.

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

15 (o) To record the granting of an easement for the
16 laying of cable television cable where authorized by the
17 unit owners under the provisions of Section 14.3; to
18 obtain, if available and determined by the board to be in
19 the best interests of the association, cable television
20 service for all of the units of the condominium on a bulk
21 identical service and equal cost per unit basis; and to
22 assess and recover the expense as a common expense and, if
23 so determined by the board, to assess each and every unit
24 on the same equal cost per unit basis.

25 (p) To seek relief on behalf of all unit owners when
26 authorized pursuant to subsection (c) of Section 10 from or

1 in connection with the assessment or levying of real
2 property taxes, special assessments, and any other special
3 taxes or changes of the State of Illinois or of any
4 political subdivision thereof or of any lawful taxing or
5 assessing body.

6 (q) To reasonably accommodate the needs of a
7 handicapped unit owner as required by the federal Civil
8 Rights Act of 1968, the Human Rights Act and any applicable
9 local ordinances in the exercise of its powers with respect
10 to the use of common elements or approval of modifications
11 in an individual unit.

12 (r) To accept service of a notice of claim for purposes
13 of the Mechanics Lien Act on behalf of each respective
14 member of the Unit Owners' Association with respect to
15 improvements performed pursuant to any contract entered
16 into by the Board of Managers or any contract entered into
17 prior to the recording of the condominium declaration
18 pursuant to this Act, for a property containing more than 8
19 units, and to distribute the notice to the unit owners
20 within 7 days of the acceptance of the service by the Board
21 of Managers. The service shall be effective as if each
22 individual unit owner had been served individually with
23 notice.

24 In the performance of their duties, the officers and
25 members of the board, whether appointed by the developer or
26 elected by the unit owners, shall exercise the care required of

1 a fiduciary of the unit owners.

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

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

13 (Source: P.A. 94-384, eff. 1-1-06; 94-729, eff. 1-1-07.)

14 Section 10. The General Not For Profit Corporation Act of
15 1986 is amended by adding Section 103.35 as follows:

16 (805 ILCS 105/103.35 new)

17 Sec. 103.35. Leasing units.

18 (a) If a common interest community or homeowners'
19 association's that currently permits leasing amends its
20 declaration, covenants, bylaws, rules, regulations, or any
21 other instruments, to prohibit leasing, nothing in this Act, or
22 a common interest community or homeowners' association's
23 declaration, covenants, bylaws, rules, regulations, or any
24 other instruments, shall prohibit a unit owner who is leasing

1 his or her unit or units at the time of the prohibition from
2 continuing to do so, until such time that the unit owner
3 voluntarily sells the unit or units; and no special fines,
4 fees, dues, or penalties shall be assessed against the unit
5 owner for leasing his or her unit or units.

6 (b) As used in this Section:

7 "Homeowners' association" includes a property owners'
8 association, townhome association, and any similar entity,
9 and "homeowner" includes a townhome owner.

10 "Common interest community" means the definition
11 provided in subsection (c) of Section 9-102 of the Code of
12 Civil Procedure.

13 Section 95. No acceleration or delay. Where this Act makes
14 changes in a statute that is represented in this Act by text
15 that is not yet or no longer in effect (for example, a Section
16 represented by multiple versions), the use of that text does
17 not accelerate or delay the taking effect of (i) the changes
18 made by this Act or (ii) provisions derived from any other
19 Public Act.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."