



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2485

Introduced 1/31/2018, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

765 ILCS 605/9	from Ch. 30, par. 309
765 ILCS 605/9.2	from Ch. 30, par. 309.2
765 ILCS 605/18	from Ch. 30, par. 318
765 ILCS 605/18.4	from Ch. 30, par. 318.4

Amends the Condominium Property Act. Provides that the lien for nonpayment of common expenses and fines attaches after the unit owner is given written notice and an opportunity to be heard. Provides that the board of managers may seek remedies under the Act after providing the unit owner or agent of the unit owner with written notice of the default and providing an opportunity to be heard regarding any fees that are in dispute. Provides that the bylaws shall provide that the association has no authority to initiate collection proceedings against a unit owner until the board of managers issues a 30-day written notice of delinquency, and an opportunity for a hearing is given to dispute any amounts due. Provides that the board of managers has the power, after written notice (instead of "notice") and an opportunity to be heard, to levy reasonable fines for violation of the declaration, bylaws, and rules and regulations of the association.

LRB100 18203 HEP 33404 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 Condominium Property Act is amended by
5 changing Sections 9, 9.2, 18, and 18.4 as follows:

6 (765 ILCS 605/9) (from Ch. 30, par. 309)

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

8 (a) All common expenses incurred or accrued prior to the
9 first conveyance of a unit shall be paid by the developer, and
10 during this period no common expense assessment shall be
11 payable to the association. It shall be the duty of each unit
12 owner including the developer to pay his or her proportionate
13 share of the common expenses commencing with the first
14 conveyance. The proportionate share shall be in the same ratio
15 as his or her percentage of ownership in the common elements
16 set forth in the declaration.

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

20 (c) Budget and reserves.

21 (1) The board of managers shall prepare and distribute
22 to all unit owners a detailed proposed annual budget,
23 setting forth with particularity all anticipated common

1 expenses by category as well as all anticipated assessments
2 and other income. The initial budget and common expense
3 assessment based thereon shall be adopted prior to the
4 conveyance of any unit. The budget shall also set forth
5 each unit owner's proposed common expense assessment.

6 (2) All budgets adopted by a board of managers on or
7 after July 1, 1990 shall provide for reasonable reserves
8 for capital expenditures and deferred maintenance for
9 repair or replacement of the common elements. To determine
10 the amount of reserves appropriate for an association, the
11 board of managers shall take into consideration the
12 following: (i) the repair and replacement cost, and the
13 estimated useful life, of the property which the
14 association is obligated to maintain, including but not
15 limited to structural and mechanical components, surfaces
16 of the buildings and common elements, and energy systems
17 and equipment; (ii) the current and anticipated return on
18 investment of association funds; (iii) any independent
19 professional reserve study which the association may
20 obtain; (iv) the financial impact on unit owners, and the
21 market value of the condominium units, of any assessment
22 increase needed to fund reserves; and (v) the ability of
23 the association to obtain financing or refinancing.

24 (3) Notwithstanding the provisions of this subsection
25 (c), an association without a reserve requirement in its
26 condominium instruments may elect to waive in whole or in

1 part the reserve requirements of this Section by a vote of
2 2/3 of the total votes of the association. Any association
3 having elected under this paragraph (3) to waive the
4 provisions of subsection (c) may by a vote of 2/3 of the
5 total votes of the association elect to again be governed
6 by the requirements of subsection (c).

7 (4) In the event that an association elects to waive
8 all or part of the reserve requirements of this Section,
9 that fact must be disclosed after the meeting at which the
10 waiver occurs by the association in the financial
11 statements of the association and, highlighted in bold
12 print, in the response to any request of a prospective
13 purchaser for the information prescribed under Section
14 22.1; and no member of the board of managers or the
15 managing agent of the association shall be liable, and no
16 cause of action may be brought for damages against these
17 parties, for the lack or inadequacy of reserve funds in the
18 association budget.

19 (5) At the end of an association's fiscal year and
20 after the association has approved any end-of-year fiscal
21 audit, if applicable, if the fiscal year ended with a
22 surplus of funds over actual expenses, including budgeted
23 reserve fund contributions, then, to the extent that there
24 are not any contrary provisions in the association's
25 declaration and bylaws, the board of managers has the
26 authority, in its discretion, to dispose of the surplus in

1 one or more of the following ways: (i) contribute the
2 surplus to the association's reserve fund; (ii) return the
3 surplus to the unit owners as a credit against the
4 remaining monthly assessments for the current fiscal year;
5 (iii) return the surplus to the unit owners in the form of
6 a direct payment to the unit owners; or (iv) maintain the
7 funds in the operating account, in which case the funds
8 shall be applied as a credit when calculating the following
9 year's annual budget. If the fiscal year ends in a deficit,
10 then, to the extent that there are not any contrary
11 provisions in the association's declaration and bylaws,
12 the board of managers has the authority, in its discretion,
13 to address the deficit by incorporating it into the
14 following year's annual budget. If 20% of the unit owners
15 of the association deliver a petition objecting to the
16 action under this paragraph (5) within 30 days after notice
17 to the unit owners of the action, the board of managers
18 shall call a meeting of the unit owners within 30 days of
19 the date of delivery of the petition. At the meeting, the
20 unit owners may vote to select a different option than the
21 option selected by the board of managers. Unless a majority
22 of the total votes of the unit owners are cast at the
23 meeting to reject the board's selection and select a
24 different option, the board's decision is ratified.

25 (d) (Blank).

26 (e) The condominium instruments may provide for the

1 assessment, in connection with expenditures for the limited
2 common elements, of only those units to which the limited
3 common elements are assigned.

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

6 (g) Lien.

7 (1) After being given written notice and an opportunity
8 to be heard, if ~~if~~ any unit owner shall fail or refuse to
9 make any payment of the common expenses or the amount of
10 any unpaid fine when due, the amount thereof together with
11 any interest, late charges, reasonable attorney fees
12 incurred enforcing the covenants of the condominium
13 instruments, rules and regulations of the board of
14 managers, or any applicable statute or ordinance, and costs
15 of collections shall constitute a lien on the interest of
16 the unit owner in the property prior to all other liens and
17 encumbrances, recorded or unrecorded, except only (a)
18 taxes, special assessments and special taxes theretofore
19 or thereafter levied by any political subdivision or
20 municipal corporation of this State and other State or
21 federal taxes which by law are a lien on the interest of
22 the unit owner prior to preexisting recorded encumbrances
23 thereon and (b) encumbrances on the interest of the unit
24 owner recorded prior to the date of such failure or refusal
25 which by law would be a lien thereon prior to subsequently
26 recorded encumbrances. Any action brought to extinguish

1 the lien of the association shall include the association
2 as a party.

3 (2) With respect to encumbrances executed prior to
4 August 30, 1984 or encumbrances executed subsequent to
5 August 30, 1984 which are neither bonafide first mortgages
6 nor trust deeds and which encumbrances contain a statement
7 of a mailing address in the State of Illinois where notice
8 may be mailed to the encumbrancer thereunder, if and
9 whenever and as often as the manager or board of managers
10 shall send, by United States certified or registered mail,
11 return receipt requested, to any such encumbrancer at the
12 mailing address set forth in the recorded encumbrance a
13 statement of the amounts and due dates of the unpaid common
14 expenses with respect to the encumbered unit, then, unless
15 otherwise provided in the declaration or bylaws, the prior
16 recorded encumbrance shall be subject to the lien of all
17 unpaid common expenses with respect to the unit which
18 become due and payable within a period of 90 days after the
19 date of mailing of each such notice.

20 (3) The purchaser of a condominium unit at a judicial
21 foreclosure sale, or a mortgagee who receives title to a
22 unit by deed in lieu of foreclosure or judgment by common
23 law strict foreclosure or otherwise takes possession
24 pursuant to court order under the Illinois Mortgage
25 Foreclosure Law, shall have the duty to pay the unit's
26 proportionate share of the common expenses for the unit

1 assessed from and after the first day of the month after
2 the date of the judicial foreclosure sale, delivery of the
3 deed in lieu of foreclosure, entry of a judgment in common
4 law strict foreclosure, or taking of possession pursuant to
5 such court order. Such payment confirms the extinguishment
6 of any lien created pursuant to paragraph (1) or (2) of
7 this subsection (g) by virtue of the failure or refusal of
8 a prior unit owner to make payment of common expenses,
9 where the judicial foreclosure sale has been confirmed by
10 order of the court, a deed in lieu thereof has been
11 accepted by the lender, or a consent judgment has been
12 entered by the court.

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

1 title.

2 (5) The notice of sale of a condominium unit under
3 subsection (c) of Section 15-1507 of the Code of Civil
4 Procedure shall state that the purchaser of the unit other
5 than a mortgagee shall pay the assessments and the legal
6 fees required by subdivisions (g) (1) and (g) (4) of Section
7 9 of this Act. The statement of assessment account issued
8 by the association to a unit owner under subsection (i) of
9 Section 18 of this Act, and the disclosure statement issued
10 to a prospective purchaser under Section 22.1 of this Act,
11 shall state the amount of the assessments and the legal
12 fees, if any, required by subdivisions (g) (1) and (g) (4) of
13 Section 9 of this Act.

14 (h) A lien for common expenses shall be in favor of the
15 members of the board of managers and their successors in office
16 and shall be for the benefit of all other unit owners. Notice
17 of the lien may be recorded by the board of managers, or if the
18 developer is the manager or has a majority of seats on the
19 board of managers and the manager or board of managers fails to
20 do so, any unit owner may record notice of the lien. Upon the
21 recording of such notice the lien may be foreclosed by an
22 action brought in the name of the board of managers in the same
23 manner as a mortgage of real property.

24 (i) Unless otherwise provided in the declaration, the
25 members of the board of managers and their successors in
26 office, acting on behalf of the other unit owners, shall have

1 the power to bid on the interest so foreclosed at the
2 foreclosure sale, and to acquire and hold, lease, mortgage and
3 convey it.

4 (j) Any encumbrancer may from time to time request in
5 writing a written statement from the manager or board of
6 managers setting forth the unpaid common expenses with respect
7 to the unit covered by his or her encumbrance. Unless the
8 request is complied with within 20 days, all unpaid common
9 expenses which become due prior to the date of the making of
10 such request shall be subordinate to the lien of the
11 encumbrance. Any encumbrancer holding a lien on a unit may pay
12 any unpaid common expenses payable with respect to the unit,
13 and upon payment the encumbrancer shall have a lien on the unit
14 for the amounts paid at the same rank as the lien of his or her
15 encumbrance.

16 (k) Nothing in Public Act 83-1271 is intended to change the
17 lien priorities of any encumbrance created prior to August 30,
18 1984.

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

20 (765 ILCS 605/9.2) (from Ch. 30, par. 309.2)

21 Sec. 9.2. Other remedies.

22 (a) In the event of any default by any unit owner, his or
23 her tenant, invitee or guest in the performance of his or her
24 obligations under this Act or under the declaration, bylaws, or
25 the rules and regulations of the board of managers, the board

1 of managers or its agents, after providing the unit owner or
2 agent of the unit owner with written notice of the default and
3 providing an opportunity to be heard regarding any fees that
4 are in dispute, shall have such rights and remedies as provided
5 in the Act or condominium instruments including the right to
6 maintain an eviction action against such defaulting unit owner
7 or his or her tenant for the benefit of all the other unit
8 owners in the manner prescribed by Article IX of the Code of
9 Civil Procedure.

10 (b) Any attorneys' fees incurred by the Association arising
11 out of a default by any unit owner, his or her tenant, invitee
12 or guest in the performance of any of the provisions of the
13 condominium instruments, rules and regulations or any
14 applicable statute or ordinance shall be added to, and deemed a
15 part of, his or her respective share of the common expense.

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

1 (Source: P.A. 100-173, eff. 1-1-18.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 annually;

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

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

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

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

26 (15) provisions concerning notice of board meetings to

1 members of the board;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 electronic transmission;

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

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

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

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

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

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

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

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

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

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

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

1 the same meaning as set forth in Section 5 of the
2 Installment Sales Contract Act and Section 1(e) of the
3 Dwelling Unit Installment Contract Act;

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

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

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

1 officers liability coverage at a level as shall be
2 determined to be reasonable by the board of managers, if
3 not otherwise established by the declaration or by laws.

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

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

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

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

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

1 several unit owners.

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

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

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

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

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

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

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

1 subsection (p), when making a determination of whether 30%
2 or fewer of the units, by number, possess over 50% in the
3 aggregate of the votes in the association, a unit shall not
4 include a garage unit or a storage unit.

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

12 (r) That the association has no authority to initiate
13 collection proceedings against a unit owner until the board
14 of managers issues a 30-day written notice of delinquency,
15 and an opportunity for a hearing is given to dispute any
16 amounts due.

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

24 (Source: P.A. 99-472, eff. 6-1-16; 99-567, eff. 1-1-17; 99-642,
25 eff. 7-28-16; 100-292, eff. 1-1-18; 100-416, eff. 1-1-18;
26 revised 10-6-17.)

1 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

2 Sec. 18.4. Powers and duties of board of managers. The
3 board of managers shall exercise for the association all
4 powers, duties and authority vested in the association by law
5 or the condominium instruments except for such powers, duties
6 and authority reserved by law to the members of the
7 association. The powers and duties of the board of managers
8 shall include, but shall not be limited to, the following:

9 (a) To provide for the operation, care, upkeep,
10 maintenance, replacement and improvement of the common
11 elements. Nothing in this subsection (a) shall be deemed to
12 invalidate any provision in a condominium instrument
13 placing limits on expenditures for the common elements,
14 provided, that such limits shall not be applicable to
15 expenditures for repair, replacement, or restoration of
16 existing portions of the common elements. The term "repair,
17 replacement or restoration" means expenditures to
18 deteriorated or damaged portions of the property related to
19 the existing decorating, facilities, or structural or
20 mechanical components, interior or exterior surfaces, or
21 energy systems and equipment with the functional
22 equivalent of the original portions of such areas.
23 Replacement of the common elements may result in an
24 improvement over the original quality of such elements or
25 facilities; provided that, unless the improvement is

1 mandated by law or is an emergency as defined in item (iv)
2 of subparagraph (8) of paragraph (a) of Section 18, if the
3 improvement results in a proposed expenditure exceeding 5%
4 of the annual budget, the board of managers, upon written
5 petition by unit owners with 20% of the votes of the
6 association delivered to the board within 21 days of the
7 board action to approve the expenditure, shall call a
8 meeting of the unit owners within 30 days of the date of
9 delivery of the petition to consider the expenditure.
10 Unless a majority of the total votes of the unit owners are
11 cast at the meeting to reject the expenditure, it is
12 ratified.

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

15 (c) To levy and expend assessments.

16 (d) To collect assessments from unit owners.

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

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

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

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

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

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

17 (n) To record the dedication of a portion of the common
18 elements to a public body for use as, or in connection
19 with, a street or utility where authorized by the unit
20 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 of
24 Section 14.3; to obtain, if available and determined by the
25 board to be in the best interests of the association, cable
26 television or bulk high speed Internet service for all of

1 the units of the condominium on a bulk identical service
2 and equal cost per unit basis; and to assess and recover
3 the expense as a common expense and, if so determined by
4 the board, to assess each and every unit on the same equal
5 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 or
8 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 owner
14 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 purposes
20 of the Mechanics Lien Act on behalf of each respective
21 member of the Unit Owners' Association with respect to
22 improvements performed pursuant to any contract entered
23 into by the Board of Managers or any contract entered into
24 prior to the recording of the condominium declaration
25 pursuant to this Act, for a property containing more than 8
26 units, and to distribute the notice to the unit owners

1 within 7 days of the acceptance of the service by the Board
2 of Managers. The service shall be effective as if each
3 individual unit owner had been served individually with
4 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 each
8 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 In the performance of their duties, the officers and
18 members of the board, whether appointed by the developer or
19 elected by the unit owners, shall exercise the care required of
20 a fiduciary of the unit owners.

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

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 that 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. 99-143, eff. 7-27-15; 99-849, eff. 1-1-17;
7 100-292, eff. 1-1-18.)