



Sen. Laura M. Murphy

**Filed: 4/20/2018**

10000SB2485sam002

LRB100 18203 HEP 38939 a

1 AMENDMENT TO SENATE BILL 2485

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2485, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Condominium Property Act is amended by  
6 changing Sections 9, 9.2, 18, and 18.4 as follows:

7 (765 ILCS 605/9) (from Ch. 30, par. 309)

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

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

1 set forth in the declaration.

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

5 (c) Budget and reserves.

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

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

1 professional reserve study which the association may  
2 obtain; (iv) the financial impact on unit owners, and the  
3 market value of the condominium units, of any assessment  
4 increase needed to fund reserves; and (v) the ability of  
5 the association to obtain financing or refinancing.

6 (3) Notwithstanding the provisions of this subsection  
7 (c), an association without a reserve requirement in its  
8 condominium instruments may elect to waive in whole or in  
9 part the reserve requirements of this Section by a vote of  
10 2/3 of the total votes of the association. Any association  
11 having elected under this paragraph (3) to waive the  
12 provisions of subsection (c) may by a vote of 2/3 of the  
13 total votes of the association elect to again be governed  
14 by the requirements of subsection (c).

15 (4) In the event that an association elects to waive  
16 all or part of the reserve requirements of this Section,  
17 that fact must be disclosed after the meeting at which the  
18 waiver occurs by the association in the financial  
19 statements of the association and, highlighted in bold  
20 print, in the response to any request of a prospective  
21 purchaser for the information prescribed under Section  
22 22.1; and no member of the board of managers or the  
23 managing agent of the association shall be liable, and no  
24 cause of action may be brought for damages against these  
25 parties, for the lack or inadequacy of reserve funds in the  
26 association budget.

1           (5) At the end of an association's fiscal year and  
2 after the association has approved any end-of-year fiscal  
3 audit, if applicable, if the fiscal year ended with a  
4 surplus of funds over actual expenses, including budgeted  
5 reserve fund contributions, then, to the extent that there  
6 are not any contrary provisions in the association's  
7 declaration and bylaws, the board of managers has the  
8 authority, in its discretion, to dispose of the surplus in  
9 one or more of the following ways: (i) contribute the  
10 surplus to the association's reserve fund; (ii) return the  
11 surplus to the unit owners as a credit against the  
12 remaining monthly assessments for the current fiscal year;  
13 (iii) return the surplus to the unit owners in the form of  
14 a direct payment to the unit owners; or (iv) maintain the  
15 funds in the operating account, in which case the funds  
16 shall be applied as a credit when calculating the following  
17 year's annual budget. If the fiscal year ends in a deficit,  
18 then, to the extent that there are not any contrary  
19 provisions in the association's declaration and bylaws,  
20 the board of managers has the authority, in its discretion,  
21 to address the deficit by incorporating it into the  
22 following year's annual budget. If 20% of the unit owners  
23 of the association deliver a petition objecting to the  
24 action under this paragraph (5) within 30 days after notice  
25 to the unit owners of the action, the board of managers  
26 shall call a meeting of the unit owners within 30 days of

1 the date of delivery of the petition. At the meeting, the  
2 unit owners may vote to select a different option than the  
3 option selected by the board of managers. Unless a majority  
4 of the total votes of the unit owners are cast at the  
5 meeting to reject the board's selection and select a  
6 different option, the board's decision is ratified.

7 (d) (Blank).

8 (e) The condominium instruments may provide for the  
9 assessment, in connection with expenditures for the limited  
10 common elements, of only those units to which the limited  
11 common elements are assigned.

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

14 (g) Lien.

15 (1) If any unit owner shall fail or refuse to make when  
16 due any payment of (i) the common expenses; or (ii) or ~~or~~ the  
17 amount of any unpaid fine imposed in accordance with  
18 subsection (1) of Section 18.4, then ~~when due,~~ the amount  
19 thereof together with any interest, late charges,  
20 reasonable attorney fees incurred enforcing the covenants  
21 of the condominium instruments, rules and regulations of  
22 the board of managers, or any applicable statute or  
23 ordinance, and costs of collections shall constitute a lien  
24 on the interest of the unit owner in the property prior to  
25 all other liens and encumbrances, recorded or unrecorded,  
26 except only (a) taxes, special assessments and special

1 taxes theretofore or thereafter levied by any political  
2 subdivision or municipal corporation of this State and  
3 other State or federal taxes which by law are a lien on the  
4 interest of the unit owner prior to preexisting recorded  
5 encumbrances thereon and (b) encumbrances on the interest  
6 of the unit owner recorded prior to the date of such  
7 failure or refusal which by law would be a lien thereon  
8 prior to subsequently recorded encumbrances. Any action  
9 brought to extinguish the lien of the association shall  
10 include the association as a party.

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

1 date of mailing of each such notice.

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

21 (4) The purchaser of a condominium unit at a judicial  
22 foreclosure sale, other than a mortgagee, who takes  
23 possession of a condominium unit pursuant to a court order  
24 or a purchaser who acquires title from a mortgagee shall  
25 have the duty to pay the proportionate share, if any, of  
26 the common expenses for the unit which would have become

1 due in the absence of any assessment acceleration during  
2 the 6 months immediately preceding institution of an action  
3 to enforce the collection of assessments, and which remain  
4 unpaid by the owner during whose possession the assessments  
5 accrued. If the outstanding assessments are paid at any  
6 time during any action to enforce the collection of  
7 assessments, the purchaser shall have no obligation to pay  
8 any assessments which accrued before he or she acquired  
9 title.

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

22 (h) A lien for common expenses shall be in favor of the  
23 members of the board of managers and their successors in office  
24 and shall be for the benefit of all other unit owners. Notice  
25 of the lien may be recorded by the board of managers, or if the  
26 developer is the manager or has a majority of seats on the



1 board of managers and the manager or board of managers fails to  
2 do so, any unit owner may record notice of the lien. Upon the  
3 recording of such notice the lien may be foreclosed by an  
4 action brought in the name of the board of managers in the same  
5 manner as a mortgage of real property.

6 (i) Unless otherwise provided in the declaration, the  
7 members of the board of managers and their successors in  
8 office, acting on behalf of the other unit owners, shall have  
9 the power to bid on the interest so foreclosed at the  
10 foreclosure sale, and to acquire and hold, lease, mortgage and  
11 convey it.

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

24 (k) Nothing in Public Act 83-1271 is intended to change the  
25 lien priorities of any encumbrance created prior to August 30,  
26 1984.

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

2 (765 ILCS 605/9.2) (from Ch. 30, par. 309.2)

3 Sec. 9.2. Other remedies.

4 (a) In the event of any default by any unit owner, his or  
5 her tenant, invitee or guest in the performance of his or her  
6 obligations under this Act or under the declaration, bylaws, or  
7 the rules and regulations of the board of managers, the board  
8 of managers or its agents shall have such rights and remedies  
9 as provided in the Act or condominium instruments including the  
10 right to maintain an eviction action against such defaulting  
11 unit owner or his or her tenant for the benefit of all the  
12 other unit owners in the manner prescribed by Article IX of the  
13 Code of Civil Procedure. However, the board may not collect an  
14 unpaid fine unless the board levied the fine in accordance with  
15 subsection (1) of Section 18.4.

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

22 (c) Other than attorney's fees, no fees pertaining to the  
23 collection of a unit owner's financial obligation to the  
24 Association, including fees charged by a manager or managing  
25 agent, shall be added to and deemed a part of an owner's

1        respective share of the common expenses unless: (i) the  
2        managing agent fees relate to the costs to collect common  
3        expenses for the Association; (ii) the fees are set forth in a  
4        contract between the managing agent and the Association; and  
5        (iii) the authority to add the management fees to an owner's  
6        respective share of the common expenses is specifically stated  
7        in the declaration or bylaws of the Association.

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

9                (765 ILCS 605/18) (from Ch. 30, par. 318)

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

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

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

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

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

25                      (5) that the board may engage the services of a manager

1 or managing agent;

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

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

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

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

1 assessments not governed by items (iv) and (v), the entire  
2 amount of the multi-year assessment shall be deemed  
3 considered and authorized in the first fiscal year in which  
4 the assessment is approved;

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

23 (B) that board members may participate in and act at  
24 any meeting of the board of managers in person, by  
25 telephonic means, or by use of any acceptable technological  
26 means whereby all persons participating in the meeting can

1       communicate with each other; that participation  
2       constitutes attendance and presence in person at the  
3       meeting;

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

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

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

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

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 30 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;

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

11 (19) that special meetings of the board of managers can  
12 be called by the president or 25% of the members of the  
13 board;

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; and

19 (21) that the board may ratify and confirm actions of  
20 the members of the board taken in response to an emergency,  
21 as that term is defined in subdivision (a)(8)(iv) of this  
22 Section; that the board shall give notice to the unit  
23 owners of: (i) the occurrence of the emergency event within  
24 7 business days after the emergency event, and (ii) the  
25 general description of the actions taken to address the  
26 event within 7 days after the emergency event.

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

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

16           (2) that the association shall have one class of  
17 membership;

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

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

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

25           (6) that written notice of any membership meeting shall  
26 be mailed or delivered giving members no less than 10 and

1 no more than 30 days notice of the time, place and purpose  
2 of such meeting except that notice may be sent, to the  
3 extent the condominium instruments or rules adopted  
4 thereunder expressly so provide, by electronic  
5 transmission consented to by the unit owner to whom the  
6 notice is given, provided the director and officer or his  
7 or her agent certifies in writing to the delivery by  
8 electronic transmission;

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

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

1 promptly to the person presiding over the meeting by any of  
2 the other owners of the unit;

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

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

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

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

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

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

1 total votes of the unit owners are cast at the meeting to  
2 reject the rule, the rule is ratified;

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

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

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



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

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

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

20 (i) merger or consolidation of the association;

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

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

1           (c) Election of a president from among the board of  
2 managers, who shall preside over the meetings of the board  
3 of managers and of the unit owners.

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

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

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

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

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

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

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

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

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

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

26 (j) Designation and removal of personnel necessary for

1 the maintenance, repair and replacement of the common  
2 elements.

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

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

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

15 (n) (i) The provisions of this Act, the declaration,  
16 bylaws, other condominium instruments, and rules and  
17 regulations that relate to the use of the individual unit  
18 or the common elements shall be applicable to any person  
19 leasing a unit and shall be deemed to be incorporated in  
20 any lease executed or renewed on or after August 30, 1984  
21 (the effective date of Public Act 83-1271).

22 (ii) With regard to any lease entered into subsequent  
23 to July 1, 1990 (the effective date of Public Act 86-991),  
24 the unit owner leasing the unit shall deliver a copy of the  
25 signed lease to the board or if the lease is oral, a  
26 memorandum of the lease, not later than the date of

1 occupancy or 10 days after the lease is signed, whichever  
2 occurs first. In addition to any other remedies, by filing  
3 an action jointly against the tenant and the unit owner, an  
4 association may seek to enjoin a tenant from occupying a  
5 unit or seek to evict a tenant under the provisions of  
6 Article IX of the Code of Civil Procedure for failure of  
7 the lessor-owner to comply with the leasing requirements  
8 prescribed by this Section or by the declaration, bylaws,  
9 and rules and regulations. The board of managers may  
10 proceed directly against a tenant, at law or in equity, or  
11 under the provisions of Article IX of the Code of Civil  
12 Procedure, for any other breach by tenant of any covenants,  
13 rules, regulations or bylaws.

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

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

1 of a vote, that the association must add the total number  
2 of votes cast of garage units, storage units, or both, and  
3 divide the total by the number of garage units, storage  
4 units, or both, and multiply by the aggregate percentage of  
5 ownership of garage units and storage units to determine  
6 the vote, or portion of a vote, that garage units or  
7 storage units, or both, have. For purposes of this  
8 subsection (p), when making a determination of whether 30%  
9 or fewer of the units, by number, possess over 50% in the  
10 aggregate of the votes in the association, a unit shall not  
11 include a garage unit or a storage unit.

12 (q) That a unit owner may not assign, delegate,  
13 transfer, surrender, or avoid the duties,  
14 responsibilities, and liabilities of a unit owner under  
15 this Act, the condominium instruments, or the rules and  
16 regulations of the Association; and that such an attempted  
17 assignment, delegation, transfer, surrender, or avoidance  
18 shall be deemed void.

19 (r) That the association has no authority to report  
20 adverse information to a credit reporting agency or  
21 initiate collection proceedings against a unit owner for an  
22 unpaid fine unless the board levied the fine in accordance  
23 with subsection (l) of Section 18.4.

24 The provisions of this Section are applicable to all  
25 condominium instruments recorded under this Act. Any portion of  
26 a condominium instrument which contains provisions contrary to

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

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

8 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

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

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



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

20 (b) To prepare, adopt and distribute the annual budget  
21 for the property.

22 (c) To levy and expend assessments.

23 (d) To collect assessments from unit owners.

24 (e) To provide for the employment and dismissal of the  
25 personnel necessary or advisable for the maintenance and  
26 operation of the common elements.

1           (f) To obtain adequate and appropriate kinds of  
2 insurance.

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

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

25           (i) To keep detailed, accurate records of the receipts  
26 and expenditures affecting the use and operation of the

1 property.

2 (j) To have access to each unit from time to time as  
3 may be necessary for the maintenance, repair or replacement  
4 of any common elements or for making emergency repairs  
5 necessary to prevent damage to the common elements or to  
6 other units.

7 (k) To pay real property taxes, special assessments,  
8 and any other special taxes or charges of the State of  
9 Illinois or of any political subdivision thereof, or other  
10 lawful taxing or assessing body, which are authorized by  
11 law to be assessed and levied upon the real property of the  
12 condominium.

13 (l) To impose charges for late payment of a unit  
14 owner's proportionate share of the common expenses, or any  
15 other expenses lawfully agreed upon, and to levy reasonable  
16 finances for violation of the declaration, bylaws, and rules  
17 and regulations of the association. Before the board may  
18 levy a fine, it shall first provide the unit owner a  
19 minimum of 20 days' written notice and an opportunity to be  
20 heard. The written notice shall be made in accordance with  
21 the requirements of this Act. The written notice and  
22 opportunity to be heard requirements of this subsection  
23 apply only to the ability to levy fines, and nothing  
24 contained in this subsection limits or restricts the  
25 ability of the board to pursue or enforce the rights of the  
26 association. ~~7 and after notice and an opportunity to be~~

1 ~~heard, to levy reasonable fines for violation of the~~  
2 ~~declaration, by laws, and rules and regulations of the~~  
3 ~~association.~~

4 (m) By a majority vote of the entire board of managers,  
5 to assign the right of the association to future income  
6 from common expenses or other sources, and to mortgage or  
7 pledge substantially all of the remaining assets of the  
8 association.

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

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

24 (p) To seek relief on behalf of all unit owners when  
25 authorized pursuant to subsection (c) of Section 10 from or  
26 in connection with the assessment or levying of real

1 property taxes, special assessments, and any other special  
2 taxes or charges of the State of Illinois or of any  
3 political subdivision thereof or of any lawful taxing or  
4 assessing body.

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

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

23 (s) To adopt and amend rules and regulations (l)  
24 authorizing electronic delivery of notices and other  
25 communications required or contemplated by this Act to each  
26 unit owner who provides the association with written

1 authorization for electronic delivery and an electronic  
2 address to which such communications are to be  
3 electronically transmitted; and (2) authorizing each unit  
4 owner to designate an electronic address or a U.S. Postal  
5 Service address, or both, as the unit owner's address on  
6 any list of members or unit owners which an association is  
7 required to provide upon request pursuant to any provision  
8 of this Act or any condominium instrument.

9 In the performance of their duties, the officers and  
10 members of the board, whether appointed by the developer or  
11 elected by the unit owners, shall exercise the care required of  
12 a fiduciary of the unit owners.

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

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 that 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. 99-143, eff. 7-27-15; 99-849, eff. 1-1-17;  
25 100-292, eff. 1-1-18.)".