

1 (765 ILCS 605/18) (from Ch. 30, par. 318)
2 Sec. 18. Contents of bylaws. The bylaws shall provide
3 for at least the following:

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

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

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

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

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

19 (6) that each unit owner shall receive, at least 30
20 days prior to the adoption thereof by the board of
21 managers, a copy of the proposed annual budget together
22 with an indication of which portions are intended for
23 reserves, capital expenditures or repairs or payment of
24 real estate taxes;

25 (7) that the board of managers shall annually
26 supply to all unit owners an itemized accounting of the
27 common expenses for the preceding year actually incurred
28 or paid, together with an indication of which portions
29 were for reserves, capital expenditures or repairs or
30 payment of real estate taxes and with a tabulation of the
31 amounts collected pursuant to the budget or assessment,
32 and showing the net excess or deficit of income over
33 expenditures plus reserves;

34 (8) (i) that each unit owner shall receive notice,

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

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

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

1 managers except where there is no common entranceway for
2 7 or more units, the board of managers may designate one
3 or more locations in the proximity of these units where
4 the notices of meetings shall be posted;

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

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

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

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

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

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

34 (16) the board of managers may not enter into a

1 contract with a current board member or with a
2 corporation or partnership in which a board member or a
3 member of the board member's immediate family has 25% or
4 more interest, unless notice of intent to enter the
5 contract is given to unit owners within 20 days after a
6 decision is made to enter into the contract and the unit
7 owners are afforded an opportunity by filing a petition,
8 signed by 20% of the unit owners, for an election to
9 approve or disapprove the contract; such petition shall
10 be filed within 20 days after such notice and such
11 election shall be held within 30 days after filing the
12 petition; for purposes of this subsection, a board
13 member's immediate family means the board member's
14 spouse, parents, and children;

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

23 (18) any proxy distributed for board elections by
24 the board of managers gives unit owners the opportunity
25 to designate any person as the proxy holder, and gives
26 the unit owner the opportunity to express a preference
27 for any of the known candidates for the board or to write
28 in a name;

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

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

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

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

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

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

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

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

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

23 (7) that voting shall be on a percentage basis, and
24 that the percentage vote to which each unit is entitled
25 is the percentage interest of the undivided ownership of
26 the common elements appurtenant thereto, provided that
27 the bylaws may provide for approval by unit owners in
28 connection with matters where the requisite approval on a
29 percentage basis is not specified in this Act, on the
30 basis of one vote per unit;

31 (8) that, where there is more than one owner of a
32 unit, if only one of the multiple owners is present at a
33 meeting of the association, he is entitled to cast all
34 the votes allocated to that unit, if more than one of the

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

9 (9) that unless the Articles of Incorporation or
10 the bylaws otherwise provide, a unit owner may vote by
11 proxy executed in writing by the unit owner or by his
12 duly authorized attorney in fact; that the proxy shall be
13 invalid after 11 months from the date of its execution,
14 unless otherwise provided in the proxy, and that every
15 proxy must bear the date of execution;

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

26 (11) that in the event of a resale of a condominium
27 unit the purchaser of a unit from a seller other than the
28 developer pursuant to an installment contract for
29 purchase shall during such times as he or she resides in
30 the unit be counted toward a quorum for purposes of
31 election of members of the board of managers at any
32 meeting of the unit owners called for purposes of
33 electing members of the board, shall have the right to
34 vote for the election of members of the board of managers

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

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

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

22 (i) merger or consolidation of the
23 association;

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

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

30 (c) Election of a president from among the board of
31 managers, who shall preside over the meetings of the board of
32 managers and of the unit owners.

33 (d) Election of a secretary from among the board of
34 managers, who shall keep the minutes of all meetings of the

1 board of managers and of the unit owners and who shall, in
2 general, perform all the duties incident to the office of
3 secretary.

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

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

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

1 records identifying all moneys of each association in such
2 operating account. Such operating and reserve funds held by
3 the management company for the association shall not be
4 subject to attachment by any creditor of the management
5 company.

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

22 Until one year after the effective date of this
23 amendatory Act of 1985, if a condominium association has
24 reserves plus assessments in excess of \$250,000 and cannot
25 reasonably obtain 100% fidelity bond coverage for such
26 amount, then it must obtain a fidelity bond coverage of
27 \$250,000.

28 (h) Method of estimating the amount of the annual
29 budget, and the manner of assessing and collecting from the
30 unit owners their respective shares of such estimated
31 expenses, and of any other expenses lawfully agreed upon.

32 (i) That upon 10 days notice to the manager or board of
33 managers and payment of a reasonable fee, any unit owner
34 shall be furnished a statement of his account setting forth

1 the amount of any unpaid assessments or other charges due and
2 owing from such owner.

3 (j) Designation and removal of personnel necessary for
4 the maintenance, repair and replacement of the common
5 elements.

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

12 (l) Method of adopting and of amending administrative
13 rules and regulations governing the operation and use of the
14 common elements.

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

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

1 with the leasing requirements prescribed by this Section or
2 by the declaration, bylaws, and rules and regulations. The
3 board of managers may proceed directly against a tenant, at
4 law or in equity, or under the provisions of Article IX of
5 the Code of Civil Procedure, for any other breach by tenant
6 of any covenants, 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 herein
12 or in the condominium instruments shall require the specified
13 percentage by number of units rather than by percentage of
14 interest in the common elements allocated to units that would
15 otherwise be applicable.

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

23 (r) A notice stating how a unit owner can obtain
24 information about persons who are registered as sex offenders
25 under the Sex Offender Registration Act. The notice must
26 include information describing how to access information
27 maintained by local law enforcement agencies or in the
28 Statewide Sex Offender Database that is posted on the
29 Department of State Police Web site.

30 The provisions of this Section are applicable to all
31 condominium instruments recorded under this Act. Any portion
32 of a condominium instrument which contains provisions
33 contrary to these provisions shall be void as against public
34 policy and ineffective. Any such instrument which fails to

1 contain the provisions required by this Section shall be
2 deemed to incorporate such provisions by operation of law.

3 (Source: P.A. 88-135; 88-417; 88-626, eff. 9-9-94; 88-670,
4 eff. 12-2-94; 89-41, eff. 6-23-95.)".