

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Common Interest Community Association Act is  
5 amended by changing Sections 1-20 and 1-45 as follows:

6 (765 ILCS 160/1-20)

7 Sec. 1-20. Amendments to the declaration, bylaws, or  
8 operating agreement.

9 (a) The administration of every property shall be governed  
10 by the declaration and bylaws or operating agreement, which may  
11 either be embodied in the declaration or in a separate  
12 instrument, a true copy of which shall be appended to and  
13 recorded with the declaration. No modification or amendment of  
14 the declaration, bylaws, or operating agreement shall be valid  
15 unless the same is set forth in an amendment thereof and such  
16 amendment is duly recorded. An amendment of the declaration,  
17 bylaws, or operating agreement shall be deemed effective upon  
18 recordation, unless the amendment sets forth a different  
19 effective date.

20 (b) Unless otherwise provided by this Act, amendments to  
21 community instruments authorized to be recorded shall be  
22 executed and recorded by the president of the board or such  
23 other officer authorized by the common interest community

1 association or the community instruments.

2 (c) If an association that currently permits leasing amends  
3 its declaration, bylaws, or rules and regulations to prohibit  
4 leasing, nothing in this Act or the declarations, bylaws, rules  
5 and regulations of an association shall prohibit a unit owner  
6 incorporated under 26 USC 501(c)(3) which is leasing a unit at  
7 the time of the prohibition from continuing to do so until such  
8 time that the unit owner voluntarily sells the unit; and no  
9 special fine, fee, dues, or penalty shall be assessed against  
10 the unit owner for leasing its unit.

11 (d) No action to incorporate a common interest community as  
12 a municipality shall commence until an instrument agreeing to  
13 incorporation has been signed by two-thirds of the members.

14 (e) If the community instruments require approval of any  
15 mortgagee or lienholder of record and the mortgagee or  
16 lienholder of record receives a request to approve or consent  
17 to the amendment to the community instruments, the mortgagee or  
18 lienholder of record is deemed to have approved or consented to  
19 the request unless the mortgagee or lienholder of record  
20 delivers a negative response to the requesting party within 60  
21 days after the mailing of the request. A request to approve or  
22 consent to an amendment to the community instruments that is  
23 required to be sent to a mortgagee or lienholder of record  
24 shall be sent by certified mail.

25 (Source: P.A. 99-41, eff. 7-14-15.)

1 (765 ILCS 160/1-45)

2 Sec. 1-45. Finances.

3 (a) Each member shall receive through a prescribed delivery  
4 method, at least 30 days but not more than 60 days prior to the  
5 adoption thereof by the board, a copy of the proposed annual  
6 budget together with an indication of which portions are  
7 intended for reserves, capital expenditures or repairs or  
8 payment of real estate taxes.

9 (b) The board shall provide all members with a reasonably  
10 detailed summary of the receipts, common expenses, and reserves  
11 for the preceding budget year. The board shall (i) make  
12 available for review to all members an itemized accounting of  
13 the common expenses for the preceding year actually incurred or  
14 paid, together with an indication of which portions were for  
15 reserves, capital expenditures or repairs or payment of real  
16 estate taxes and with a tabulation of the amounts collected  
17 pursuant to the budget or assessment, and showing the net  
18 excess or deficit of income over expenditures plus reserves or  
19 (ii) provide a consolidated annual independent audit report of  
20 the financial status of all fund accounts within the  
21 association.

22 (c) If an adopted budget or any separate assessment adopted  
23 by the board would result in the sum of all regular and  
24 separate assessments payable in the current fiscal year  
25 exceeding 115% of the sum of all regular and separate  
26 assessments payable during the preceding fiscal year, the

1 common interest community association, upon written petition  
2 by members with 20% of the votes of the association delivered  
3 to the board within 14 days of the board action, shall call a  
4 meeting of the members within 30 days of the date of delivery  
5 of the petition to consider the budget or separate assessment;  
6 unless a majority of the total votes of the members are cast at  
7 the meeting to reject the budget or separate assessment, it  
8 shall be deemed ratified.

9 (d) If total common expenses exceed the total amount of the  
10 approved and adopted budget, the common interest community  
11 association shall disclose this variance to all its members and  
12 specifically identify the subsequent assessments needed to  
13 offset this variance in future budgets.

14 (e) Separate assessments for expenditures relating to  
15 emergencies or mandated by law may be adopted by the board  
16 without being subject to member approval or the provisions of  
17 subsection (c) or (f) of this Section. As used herein,  
18 "emergency" means a danger to or a compromise of the structural  
19 integrity of the common areas or any of the common facilities  
20 of the common interest community. "Emergency" also includes a  
21 danger to the life, health or safety of the membership.

22 (f) Assessments for additions and alterations to the common  
23 areas or to association-owned property not included in the  
24 adopted annual budget, shall be separately assessed and are  
25 subject to approval of a simple majority of the total members  
26 at a meeting called for that purpose.

1 (g) The board may adopt separate assessments payable over  
2 more than one fiscal year. With respect to multi-year  
3 assessments not governed by subsections (e) and (f) of this  
4 Section, the entire amount of the multi-year assessment shall  
5 be deemed considered and authorized in the first fiscal year in  
6 which the assessment is approved.

7 (h) The board of a common interest community association  
8 shall have the authority to establish and maintain a system of  
9 master metering of public utility services to collect payments  
10 in conjunction therewith, subject to the requirements of the  
11 Tenant Utility Payment Disclosure Act.

12 (i) An association subject to this Act that consists of 100  
13 or more units shall use generally accepted accounting  
14 principles in fulfilling any accounting obligations under this  
15 Act.

16 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11;  
17 97-1090, eff. 8-24-12.)

18 Section 10. The Condominium Property Act is amended by  
19 changing Sections 9, 15, 18, 18.4, 19, 27, and 31 and by adding  
20 Section 18.10 as follows:

21 (765 ILCS 605/9) (from Ch. 30, par. 309)

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

23 (a) All common expenses incurred or accrued prior to the  
24 first conveyance of a unit shall be paid by the developer, and

1 during this period no common expense assessment shall be  
2 payable to the association. It shall be the duty of each unit  
3 owner including the developer to pay his proportionate share of  
4 the common expenses commencing with the first conveyance. The  
5 proportionate share shall be in the same ratio as his  
6 percentage of ownership in the common elements set forth in the  
7 declaration.

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

11 (c) Budget and reserves.

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

20 (2) All budgets adopted by a board of managers on or  
21 after July 1, 1990 shall provide for reasonable reserves  
22 for capital expenditures and deferred maintenance for  
23 repair or replacement of the common elements. To determine  
24 the amount of reserves appropriate for an association, the  
25 board of managers shall take into consideration the  
26 following: (i) the repair and replacement cost, and the

1 estimated useful life, of the property which the  
2 association is obligated to maintain, including but not  
3 limited to structural and mechanical components, surfaces  
4 of the buildings and common elements, and energy systems  
5 and equipment; (ii) the current and anticipated return on  
6 investment of association funds; (iii) any independent  
7 professional reserve study which the association may  
8 obtain; (iv) the financial impact on unit owners, and the  
9 market value of the condominium units, of any assessment  
10 increase needed to fund reserves; and (v) the ability of  
11 the association to obtain financing or refinancing.

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

21 (4) In the event that an association elects to waive  
22 all or part of the reserve requirements of this Section,  
23 that fact must be disclosed after the meeting at which the  
24 waiver occurs by the association in the financial  
25 statements of the association and, highlighted in bold  
26 print, in the response to any request of a prospective

1 purchaser for the information prescribed under Section  
2 22.1; and no member of the board of managers or the  
3 managing agent of the association shall be liable, and no  
4 cause of action may be brought for damages against these  
5 parties, for the lack or inadequacy of reserve funds in the  
6 association budget.

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



1       to address the deficit by incorporating it into the  
2       following year's annual budget. If 20% of the unit owners  
3       of the association deliver a petition objecting to the  
4       action under this paragraph (5) within 30 days after notice  
5       to the unit owners of the action, the board of managers  
6       shall call a meeting of the unit owners within 30 days of  
7       the date of delivery of the petition. At the meeting, the  
8       unit owners may vote to select a different option than the  
9       option selected by the board of managers. Unless a majority  
10       of the total votes of the unit owners are cast at the  
11       meeting to reject the board's selection and select a  
12       different option, the board's decision is ratified.

13       (d) (Blank).

14       (e) The condominium instruments may provide for the  
15       assessment, in connection with expenditures for the limited  
16       common elements, of only those units to which the limited  
17       common elements are assigned.

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

20       (g) Lien.

21       (1) If any unit owner shall fail or refuse to make any  
22       payment of the common expenses or the amount of any unpaid  
23       fine when due, the amount thereof together with any  
24       interest, late charges, reasonable attorney fees incurred  
25       enforcing the covenants of the condominium instruments,  
26       rules and regulations of the board of managers, or any

1 applicable statute or ordinance, and costs of collections  
2 shall constitute a lien on the interest of the unit owner  
3 in the property prior to all other liens and encumbrances,  
4 recorded or unrecorded, except only (a) taxes, special  
5 assessments and special taxes theretofore or thereafter  
6 levied by any political subdivision or municipal  
7 corporation of this State and other State or federal taxes  
8 which by law are a lien on the interest of the unit owner  
9 prior to preexisting recorded encumbrances thereon and (b)  
10 encumbrances on the interest of the unit owner recorded  
11 prior to the date of such failure or refusal which by law  
12 would be a lien thereon prior to subsequently recorded  
13 encumbrances. Any action brought to extinguish the lien of  
14 the association shall include the association as a party.

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

1 otherwise provided in the declaration or bylaws, the prior  
2 recorded encumbrance shall be subject to the lien of all  
3 unpaid common expenses with respect to the unit which  
4 become due and payable within a period of 90 days after the  
5 date of mailing of each such notice.

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

25 (4) The purchaser of a condominium unit at a judicial  
26 foreclosure sale, other than a mortgagee, who takes

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

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

26 (h) A lien for common expenses shall be in favor of the

1 members of the board of managers and their successors in office  
2 and shall be for the benefit of all other unit owners. Notice  
3 of the lien may be recorded by the board of managers, or if the  
4 developer is the manager or has a majority of seats on the  
5 board of managers and the manager or board of managers fails to  
6 do so, any unit owner may record notice of the lien. Upon the  
7 recording of such notice the lien may be foreclosed by an  
8 action brought in the name of the board of managers in the same  
9 manner as a mortgage of real property.

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

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

1           (k) Nothing in Public Act 83-1271 is intended to change the  
2           lien priorities of any encumbrance created prior to August 30,  
3           1984.

4           (Source: P.A. 94-1049, eff. 1-1-07.)

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

6           Sec. 15. Sale of property.

7           (a) Unless a greater percentage is provided for in the  
8           declaration or bylaws, and notwithstanding the provisions of  
9           Sections 13 and 14 hereof, a majority of the unit owners where  
10          the property contains 2 units, or not less than 66 2/3% where  
11          the property contains three units, and not less than 75% where  
12          the property contains 4 or more units may, by affirmative vote  
13          at a meeting of unit owners duly called for such purpose, elect  
14          to sell the property. Such action shall be binding upon all  
15          unit owners, and it shall thereupon become the duty of every  
16          unit owner to execute and deliver such instruments and to  
17          perform all acts as in manner and form may be necessary to  
18          effect such sale, provided, however, that any unit owner who  
19          did not vote in favor of such action and who has filed written  
20          objection thereto with the manager or board of managers within  
21          20 days after the date of the meeting at which such sale was  
22          approved shall be entitled to receive from the proceeds of such  
23          sale an amount equivalent to the greater of: (i) the value of  
24          his or her interest, as determined by a fair appraisal, less  
25          the amount of any unpaid assessments or charges due and owing

1 from such unit owner or (ii) the outstanding balance of any  
2 bona fide debt secured by the objecting unit owner's interest  
3 which was incurred by such unit owner in connection with the  
4 acquisition or refinance of the unit owner's interest, less the  
5 amount of any unpaid assessments or charges due and owing from  
6 such unit owner. The objecting unit owner is also entitled to  
7 receive from the proceeds of a sale under this Section  
8 reimbursement for reasonable relocation costs, determined in  
9 the same manner as under the federal Uniform Relocation  
10 Assistance and Real Property Acquisition Policies Act of 1970,  
11 as amended from time to time, and as implemented by regulations  
12 promulgated under that Act.

13 (b) If there is a disagreement as to the value of the  
14 interest of a unit owner who did not vote in favor of the sale  
15 of the property, that unit owner shall have a right to  
16 designate an expert in appraisal or property valuation to  
17 represent him, in which case, the prospective purchaser of the  
18 property shall designate an expert in appraisal or property  
19 valuation to represent him, and both of these experts shall  
20 mutually designate a third expert in appraisal or property  
21 valuation. The 3 experts shall constitute a panel to determine  
22 by vote of at least 2 of the members of the panel, the value of  
23 that unit owner's interest in the property. The changes made by  
24 this amendatory Act of the 100th General Assembly apply to  
25 sales under this Section that are pending or commenced on and  
26 after the effective date of this amendatory Act of the 100th

1 General Assembly.

2 (Source: P.A. 86-1156.)

3 (765 ILCS 605/18) (from Ch. 30, par. 318)

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

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

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

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

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

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

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



1 real estate taxes;

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

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

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

25 (9) (A) that every meeting of the board of managers  
26 shall be open to any unit owner, except that the board may

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

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

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

1 means, and that the board may prescribe reasonable rules  
2 and regulations to govern the right to make such  
3 recordings;

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

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

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

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

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

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

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

1           (15) provisions concerning notice of board meetings to  
2 members of the board;

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

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

25           (18) any proxy distributed for board elections by the  
26 board of managers gives unit owners the opportunity to

1 designate any person as the proxy holder, and gives the  
2 unit owner the opportunity to express a preference for any  
3 of the known candidates for the board or to write in a  
4 name;

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

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

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

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

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

1 owners constituting a quorum shall be 20% unless the unit  
2 owners holding a majority of the percentage interest in the  
3 association provide for a higher percentage, provided that  
4 in voting on amendments to the association's bylaws, a unit  
5 owner who is in arrears on the unit owner's regular or  
6 separate assessments for 60 days or more, shall not be  
7 counted for purposes of determining if a quorum is present,  
8 but that unit owner retains the right to vote on amendments  
9 to the association's bylaws;

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

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

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

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

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



1 agent certifies in writing to the delivery by electronic  
2 transmission;

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

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

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

1 the proxy must bear the date of execution and, unless the  
2 condominium instruments or the written proxy itself  
3 provide otherwise, is invalid after 11 months from the date  
4 of its execution; to the extent the condominium instruments  
5 or rules adopted thereunder expressly so provide, a vote or  
6 proxy may be submitted by electronic transmission,  
7 provided that any such electronic transmission shall  
8 either set forth or be submitted with information from  
9 which it can be determined that the electronic transmission  
10 was authorized by the unit owner or 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 ~~14~~ 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 contract for purchase  
13 shall during such times as he or she resides in the unit be  
14 counted toward a quorum for purposes of election of members  
15 of the board of managers at any meeting of the unit owners  
16 called for purposes of electing members of the board, shall  
17 have the right to vote for the election of members of the  
18 board of managers and to be elected to and serve on the  
19 board of managers unless the seller expressly retains in  
20 writing any or all of such rights. In no event may the  
21 seller and purchaser both be counted toward a quorum, be  
22 permitted to vote for a particular office or be elected and  
23 serve on the board. Satisfactory evidence of the  
24 installment contract shall be made available to the  
25 association or its agents. For purposes of this subsection,  
26 "installment contract" shall have the same meaning as set

1           forth in Section 1(e) of the Dwelling Unit Installment  
2           Contract Act;

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

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

12           (i) merger or consolidation of the association;

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

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

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

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

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

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

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

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

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



1           determined to be reasonable by the board of managers, if  
2           not otherwise established by the declaration or by laws.

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

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

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

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

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

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

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

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

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

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

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

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

1 or fewer of the units, by number, possess over 50% in the  
2 aggregate of the votes in the association, a unit shall not  
3 include a garage unit or a storage unit.

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

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

18 (Source: P.A. 98-1042, eff. 1-1-15; 99-472, eff. 6-1-16;  
19 99-567, eff. 1-1-17; 99-642, eff. 7-28-16.)

20 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

21 Sec. 18.4. Powers and duties of board of managers. The  
22 board of managers shall exercise for the association all  
23 powers, duties and authority vested in the association by law  
24 or the condominium instruments except for such powers, duties  
25 and authority reserved by law to the members of the

1 association. The powers and duties of the board of managers  
2 shall include, but shall not be limited to, the following:

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

1 meeting of the unit owners within 30 days of the date of  
2 delivery of the petition to consider the expenditure.  
3 Unless a majority of the total votes of the unit owners are  
4 cast at the meeting to reject the expenditure, it is  
5 ratified.

6 (b) To prepare, adopt and distribute the annual budget  
7 for the property.

8 (c) To levy and expend assessments.

9 (d) To collect assessments from unit owners.

10 (e) To provide for the employment and dismissal of the  
11 personnel necessary or advisable for the maintenance and  
12 operation of the common elements.

13 (f) To obtain adequate and appropriate kinds of  
14 insurance.

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

17 (h) To adopt and amend rules and regulations covering  
18 the details of the operation and use of the property, after  
19 a meeting of the unit owners called for the specific  
20 purpose of discussing the proposed rules and regulations.  
21 Notice of the meeting shall contain the full text of the  
22 proposed rules and regulations, and the meeting shall  
23 conform to the requirements of Section 18(b) of this Act,  
24 except that no quorum is required at the meeting of the  
25 unit owners unless the declaration, bylaws or other  
26 condominium instrument expressly provides to the contrary.

1           However, no rule or regulation may impair any rights  
2           guaranteed by the First Amendment to the Constitution of  
3           the United States or Section 4 of Article I of the Illinois  
4           Constitution including, but not limited to, the free  
5           exercise of religion, nor may any rules or regulations  
6           conflict with the provisions of this Act or the condominium  
7           instruments. No rule or regulation shall prohibit any  
8           reasonable accommodation for religious practices,  
9           including the attachment of religiously mandated objects  
10          to the front-door area of a condominium unit.

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

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

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

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

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

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

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

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

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



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

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

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

24 (s) To adopt and amend rules and regulations (l)  
25 authorizing electronic delivery of notices and other  
26 communications required or contemplated by this Act to each

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

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

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

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

25 (Source: P.A. 98-735, eff. 1-1-15; 99-143, eff. 7-27-15;  
26 99-849, eff. 1-1-17.)

1 (765 ILCS 605/18.10 new)

2 Sec. 18.10. Generally accepted accounting principles. An  
3 association subject to this Act that consists of 100 or more  
4 units shall use generally accepted accounting principles in  
5 fulfilling any accounting obligations under this Act.

6 (765 ILCS 605/19) (from Ch. 30, par. 319)

7 Sec. 19. Records of the association; availability for  
8 examination.

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

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

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

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

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

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

24 (6) all contracts, leases, and other agreements then in

1 effect to which the association is a party or under which  
2 the association or the unit owners have obligations or  
3 liabilities;

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

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

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

16 (b) Any member of an association shall have the right to  
17 inspect, examine, and make copies of the records described in  
18 subdivisions (1), (2), (3), (4), ~~and~~ (5), (6), and (9) of  
19 subsection (a) of this Section, in person or by agent, at any  
20 reasonable time or times, at the association's principal  
21 office. In order to exercise this right, a member must submit a  
22 written request to the association's board of managers or its  
23 authorized agent, stating with particularity the records  
24 sought to be examined. Failure of an association's board of  
25 managers to make available all records so requested within 10  
26 business ~~30~~ days of receipt of the member's written request

1 shall be deemed a denial.

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

7 (c) (Blank).

8 (d) (Blank).

9 (d-5) As used in this Section, "commercial purpose" means  
10 the use of any part of a record or records described in  
11 subdivisions (7) and (8) of subsection (a) of this Section, or  
12 information derived from such records, in any form for sale,  
13 resale, or solicitation or advertisement for sales or services.

14 (e) Except as otherwise provided in subsection (g) of this  
15 Section, any member of an association shall have the right to  
16 inspect, examine, and make copies of the records described in  
17 subdivisions (7) and (8) ~~(6), (7), (8), and (9)~~ of subsection  
18 (a) of this Section, in person or by agent, at any reasonable  
19 time or times but only for a ~~proper~~ purpose that relates to the  
20 association, at the association's principal office. In order to  
21 exercise this right, a member must submit a written request, to  
22 the association's board of managers or its authorized agent,  
23 stating with particularity the records sought to be examined.  
24 As a condition for exercising this right, the board of managers  
25 or authorized agent of the association may require the member  
26 to certify in writing that the information contained in the

1 records obtained by the member will not be used by the member  
2 for any commercial purpose or for any purpose that does not  
3 relate to the association. The board of managers of the  
4 association may impose a fine in accordance with item (1) of  
5 Section 18.4 upon any person who makes a false certification.  
6 ~~and a proper purpose for the request.~~ Subject to the provisions  
7 of subsection (g) of this Section, failure of an association's  
8 board of managers to make available all records so requested  
9 within 10 business ~~30 business~~ days of receipt of the member's  
10 written request shall be deemed a denial; provided, however,  
11 that the board of managers of an association that has adopted a  
12 secret ballot election process as provided in Section 18 of  
13 this Act shall not be deemed to have denied a member's request  
14 for records described in subdivision (8) of subsection (a) of  
15 this Section if voting ballots, without identifying unit  
16 numbers, are made available to the requesting member within 10  
17 business ~~30~~ days of receipt of the member's written request.

18 ~~In an action to compel examination of records described in~~  
19 ~~subdivisions (6), (7), (8), and (9) of subsection (a) of this~~  
20 ~~Section, the burden of proof is upon the member to establish~~  
21 ~~that the member's request is based on a proper purpose.~~ Any  
22 member who prevails in an enforcement action to compel  
23 examination of records described in subdivisions (7) or (8)  
24 ~~(6), (7), (8), and (9)~~ of subsection (a) of this Section shall  
25 be entitled to recover reasonable attorney's fees and costs  
26 from the association only if the court finds that the board of

1 directors acted in bad faith in denying the member's request.

2 (f) The actual cost to the association of retrieving and  
3 making requested records available for inspection and  
4 examination under this Section may ~~shall~~ be charged by the  
5 association to the requesting member. If a member requests  
6 copies of records requested under this Section, the actual  
7 costs to the association of reproducing the records may ~~shall~~  
8 also be charged by the association to the requesting member.

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

13 (1) documents relating to appointment, employment,  
14 discipline, or dismissal of association employees;

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

18 (3) documents relating to actions threatened against,  
19 or likely to be asserted on behalf of, the association or  
20 its board of managers in a court or administrative  
21 tribunal;

22 (4) documents relating to common expenses or other  
23 charges owed by a member other than the requesting member;  
24 and

25 (5) documents provided to an association in connection  
26 with the lease, sale, or other transfer of a unit by a

1 member other than the requesting member.

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

9 (Source: P.A. 90-496, eff. 8-18-97; 90-655, eff. 7-30-98.)

10 (765 ILCS 605/27) (from Ch. 30, par. 327)

11 Sec. 27. Amendments.

12 (a) If there is any unit owner other than the developer,  
13 and unless otherwise provided in this Act, the condominium  
14 instruments shall be amended only as follows:

15 (i) upon the affirmative vote of 2/3 of those voting or  
16 upon the majority specified by the condominium  
17 instruments, provided that in no event shall the  
18 condominium instruments require more than a three-quarters  
19 vote of all unit owners; and

20 (ii) with the approval of, or notice to, any mortgagees  
21 or other lienholders of record, if required under the  
22 provisions of the condominium instruments. If the  
23 condominium instruments require approval of any mortgagee  
24 or lienholder of record and the mortgagee or lienholder of  
25 record receives a request to approve or consent to the



1 amendment to the condominium instruments, the mortgagee or  
2 lienholder of record is deemed to have approved or  
3 consented to the request unless the mortgagee or lienholder  
4 of record delivers a negative response to the requesting  
5 party within 60 days after the mailing of the request. A  
6 request to approve or consent to an amendment to the  
7 condominium instruments that is required to be sent to a  
8 mortgagee or lienholder of record shall be sent by  
9 certified mail.

10 (b) (1) If there is an omission, error, or inconsistency in  
11 a condominium instrument, such that a provision of a  
12 condominium instrument does not conform to this Act or to  
13 another applicable statute, the association may correct the  
14 omission, error, or inconsistency to conform the condominium  
15 instrument to this Act or to another applicable statute by an  
16 amendment adopted by vote of two-thirds of the Board of  
17 Managers, without a unit owner vote. A provision in a  
18 condominium instrument requiring or allowing unit owners,  
19 mortgagees, or other lienholders of record to vote to approve  
20 an amendment to a condominium instrument, or for the mortgagees  
21 or other lienholders of record to be given notice of an  
22 amendment to a condominium instrument, is not applicable to an  
23 amendment to the extent that the amendment corrects an  
24 omission, error, or inconsistency to conform the condominium  
25 instrument to this Act or to another applicable statute.

26 (2) If through a scrivener's error, a unit has not been

1 designated as owning an appropriate undivided share of the  
2 common elements or does not bear an appropriate share of the  
3 common expenses or that all the common expenses or all of the  
4 common elements in the condominium have not been distributed in  
5 the declaration, so that the sum total of the shares of common  
6 elements which have been distributed or the sum total of the  
7 shares of the common expenses fail to equal 100%, or if it  
8 appears that more than 100% of the common elements or common  
9 expenses have been distributed, the error may be corrected by  
10 operation of law by filing an amendment to the declaration  
11 approved by vote of two-thirds of the members of the Board of  
12 Managers or a majority vote of the unit owners at a meeting  
13 called for this purpose which proportionately adjusts all  
14 percentage interests so that the total is equal to 100% unless  
15 the condominium instruments specifically provide for a  
16 different procedure or different percentage vote by the owners  
17 of the units and the owners of mortgages thereon affected by  
18 modification being made in the undivided interest in the common  
19 elements, the number of votes in the unit owners association or  
20 the liability for common expenses appertaining to the unit.

21 (3) If an omission or error or a scrivener's error in the  
22 declaration, bylaws or other condominium instrument is  
23 corrected by vote of two-thirds of the members of the Board of  
24 Managers pursuant to the authority established in paragraphs  
25 (1) or (2) of this subsection (b) ~~subsections (b) (1) or (b) (2)~~  
26 of Section 27 of this Act, the Board upon written petition by

1 unit owners with 20 percent of the votes of the association  
2 filed within 30 days of the Board action shall call a meeting  
3 of the unit owners within 30 days of the filing of the petition  
4 to consider the Board action. Unless a majority of the votes of  
5 the unit owners of the association are cast at the meeting to  
6 reject the action, it is ratified whether or not a quorum is  
7 present.

8 (4) The procedures for amendments set forth in this  
9 subsection (b) cannot be used if such an amendment would  
10 materially or adversely affect property rights of the unit  
11 owners unless the affected unit owners consent in writing. This  
12 Section does not restrict the powers of the association to  
13 otherwise amend the declaration, bylaws, or other condominium  
14 instruments, but authorizes a simple process of amendment  
15 requiring a lesser vote for the purpose of correcting defects,  
16 errors, or omissions when the property rights of the unit  
17 owners are not materially or adversely affected.

18 (5) If there is an omission or error in the declaration,  
19 bylaws, or other condominium instruments, which may not be  
20 corrected by an amendment procedure set forth in paragraphs (1)  
21 and (2) of this subsection (b) ~~of Section 27~~ in the declaration  
22 then the Circuit Court in the County in which the condominium  
23 is located shall have jurisdiction to hear a petition of one or  
24 more of the unit owners thereon or of the association, to  
25 correct the error or omission, and the action may be a class  
26 action. The court may require that one or more methods of

1 correcting the error or omission be submitted to the unit  
2 owners to determine the most acceptable correction. All unit  
3 owners in the association must be joined as parties to the  
4 action. Service of process on owners may be by publication, but  
5 the plaintiff shall furnish all unit owners not personally  
6 served with process with copies of the petition and final  
7 judgment of the court by certified mail return receipt  
8 requested, at their last known address.

9 (6) Nothing contained in this Section shall be construed to  
10 invalidate any provision of a condominium instrument  
11 authorizing the developer to amend a condominium instrument  
12 prior to the latest date on which the initial membership  
13 meeting of the unit owners must be held, whether or not ~~not~~ it  
14 has actually been held, to bring the instrument into compliance  
15 with the legal requirements of the Federal National Mortgage  
16 Association, the Federal Home Loan Mortgage Corporation, the  
17 Federal Housing Administration, the United States Veterans  
18 Administration or their respective successors and assigns.

19 (Source: P.A. 98-282, eff. 1-1-14; 99-472, eff. 6-1-16; revised  
20 9-1-16.)

21 (765 ILCS 605/31) (from Ch. 30, par. 331)

22 Sec. 31. Subdivision or combination of units.

23 (a) As used in this Section, "combination of any units"  
24 means any 2 or more residential units to be used as a single  
25 unit as shown on the plat or amended plat, which may involve,

1 without limitation, additional exclusive use of a portion of  
2 the common elements within the building adjacent to the  
3 combined unit (for example, without limitation, the use of a  
4 portion of an adjacent common hallway).

5 (b) Unless the condominium instruments expressly prohibit  
6 the subdivision or combination of any units, and subject to  
7 additional limitations provided by the condominium  
8 instruments, the owner or owners may, at their own expense,  
9 subdivide or combine and locate or relocate common elements  
10 affected or required thereby, in accordance with the provisions  
11 of the condominium instruments and the requirements of this  
12 Act. The owner or owners shall make written application to the  
13 board of managers, requesting an amendment to the condominium  
14 instruments, setting forth in the application a proposed  
15 reallocation to the new units of the percentage interest in the  
16 common elements, and setting forth whether the limited common  
17 elements, if any, previously assigned to the unit to be  
18 subdivided should be assigned to each new unit or to fewer than  
19 all of the new units created and requesting, if desired in the  
20 event of a combination of any units, that the new unit be  
21 granted the exclusive right to use as a limited common element,  
22 a portion of the common elements within the building adjacent  
23 to the new unit. If the transaction is approved by a majority  
24 of the board of managers, it shall be effective upon (1)  
25 recording of an amendment to condominium instruments in  
26 accordance with the provisions of Sections 5 and 6 of this Act,

1 and (2) execution by the owners of the units involved.

2 (c) In the event of a combination of any units, the  
3 amendment under subsection (b) may grant the owner of the  
4 combined unit the exclusive right to use, as a limited common  
5 element, a portion of the common elements within the building  
6 adjacent to the new unit. The request for the amendment shall  
7 be granted and the amendment shall grant this exclusive right  
8 to use as a limited common element if the following conditions  
9 are met:

10 (1) the common element for which the exclusive right to  
11 use as a limited common element is sought is not necessary  
12 or practical for use by the owners of any units other than  
13 the owner or owners of the combined unit; and

14 (2) the owner or owners of the combined unit are  
15 responsible for any and all costs associated with the  
16 renovation, modification, or other adaptation performed as  
17 a result of the granting of the exclusive right to use as a  
18 limited common element.

19 (d) If the combined unit is divided, part of the original  
20 combined unit is sold, and the grant of the exclusive right to  
21 use as a limited common element is no longer necessary,  
22 practical, or appropriate for the use and enjoyment of the  
23 owner or owners of the original combined unit, the board may  
24 terminate the grant of the exclusive right to use as a limited  
25 common element and require that the owner or owners of the  
26 original combined unit restore the common area to its condition

1 prior to the grant of the exclusive right to use as a limited  
2 common element. If the combined unit is sold without being  
3 divided, the grant of the exclusive right to use as a limited  
4 common element shall apply to the new owner or owners of the  
5 combined unit, who shall assume the rights and responsibilities  
6 of the original owner or owners.

7 (e) Under this Section, the exclusive right to use as a  
8 limited common element any portion of the common elements that  
9 is not necessary or practical for use by the owners of any  
10 other units is not a diminution of the ownership interests of  
11 all other unit owners requiring unanimous consent of all unit  
12 owners under subsection (e) of Section 4 of this Act or any  
13 percentage set forth in the condominium instruments.

14 (f) Notwithstanding Section 27 of this Act and any other  
15 amendment provisions set forth in the condominium instruments,  
16 an amendment pursuant to this Section is effective if it meets  
17 the requirements set forth in this Section.

18 (Source: P.A. 90-199, eff. 7-24-97.)