



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

SB3731

Introduced 2/14/2020, by Sen. Sara Feigenholtz

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Condominium Property Act. Provides that to sell a condominium property, there shall be the following percentage of affirmative votes of the unit owners: 75% for a property with 4 to 6 units (rather than 4 or more units); or 85% for a property with 7 or more units. Provides that an association that has agreed to sell the property shall inform the unit owners that the association may choose outside counsel to represent its interests during the sale process. Provides that it is a violation for a person, partnership, corporation, or other legal entity entitled to transact business on behalf of others, acting on behalf of one seeking to communicate with a unit owner for the purpose of purchasing his or her property once the unit owner has affirmatively requested that such a communication not be made. Provides that the bylaws shall provide that: matters subject to the affirmative vote of not less than 2/3 of the votes of unit owners shall require an independent audit of the votes; and unless a lesser percentage of ownership is provided for in the bylaws, no person, heir assign, family member, affiliate, partnership, corporation, or other legal entity entitled to transact business on behalf of others may own more than 10% of the units for a property containing 30 or more units, more than 15% of the units for a property containing 20 to 29 units, more than 20% for a property containing 5 to 19 units, and no more than a single unit for a property containing fewer than 5 units. Provides that it is a power and duty of the board of managers to: reject any arrangement that establishes an agreement for a buyer to purchase a property; and refrain from investigating an offer to purchase a property without first receiving authorization from the association through an affirmative vote of not less than 75% of unit owners based on the percentage of ownership. Provides that every officer and member of the board who violates, participates in, or permits any of the officers, agents, or assigns of the board to breach his or her fiduciary duty shall be held liable in his or her personal or individual capacity. Makes other changes. Makes a corresponding change in the Common Interest Community Association Act.

LRB101 20341 LNS 69886 b

1 AN ACT concerning civil law.

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

4 Section 5. The Common Interest Community Association Act is  
5 amended by changing Section 1-30 as follows:

6 (765 ILCS 160/1-30)

7 Sec. 1-30. Board duties and obligations; records.

8 (a) The board shall meet at least 4 times annually.

9 (b) A common interest community association may not enter  
10 into a contract with a current board member, or with a  
11 corporation, limited liability company, or partnership in  
12 which a board member or a member of his or her immediate family  
13 has 25% or more interest, unless notice of intent to enter into  
14 the contract is given to members within 20 days after a  
15 decision is made to enter into the contract and the members are  
16 afforded an opportunity by filing a petition, signed by 20% of  
17 the membership, for an election to approve or disapprove the  
18 contract; such petition shall be filed within 20 days after  
19 such notice and such election shall be held within 30 days  
20 after filing the petition. For purposes of this subsection, a  
21 board member's immediate family means the board member's  
22 spouse, parents, siblings, and children.

23 (c) The bylaws or operating agreement shall provide for the

1 maintenance, repair, and replacement of the common areas and  
2 payments therefor, including the method of approving payment  
3 vouchers.

4 (d) (Blank).

5 (e) The association may engage the services of a manager or  
6 management company.

7 (f) The association shall have one class of voting  
8 membership unless the declaration, bylaws, or operating  
9 agreement provide otherwise; however, this subsection (f)  
10 shall not be construed to limit the operation of subsection (c)  
11 of Section 1-20 of this Act.

12 (g) The board shall have the power, after notice and an  
13 opportunity to be heard, to levy and collect reasonable fines  
14 from members or unit owners for violations of the declaration,  
15 bylaws, operating agreement, and rules and regulations of the  
16 common interest community association.

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

1 unit owner's respective share of the common expenses is  
2 specifically stated in the declaration, bylaws, or operating  
3 agreement of the association.

4 (i) Board records.

5 (1) The board shall maintain the following records of  
6 the association and make them available for examination and  
7 copying at convenient hours of weekdays by any member or  
8 unit owner in a common interest community subject to the  
9 authority of the board, their mortgagees, and their duly  
10 authorized agents or attorneys:

11 (i) Copies of the recorded declaration, other  
12 community instruments, other duly recorded covenants  
13 and bylaws and any amendments, articles of  
14 incorporation, articles of organization, annual  
15 reports, and any rules and regulations adopted by the  
16 board shall be available. Prior to the organization of  
17 the board, the developer shall maintain and make  
18 available the records set forth in this paragraph (i)  
19 for examination and copying.

20 (ii) Detailed and accurate records in  
21 chronological order of the receipts and expenditures  
22 affecting the common areas, specifying and itemizing  
23 the maintenance and repair expenses of the common areas  
24 and any other expenses incurred, and copies of all  
25 contracts, leases, or other agreements entered into by  
26 the board shall be maintained.

1 (iii) The minutes of all meetings of the board  
2 which shall be maintained for not less than 7 years.

3 (iv) With a written statement of a proper purpose,  
4 ballots and proxies related thereto, if any, for any  
5 election held for the board and for any other matters  
6 voted on by the members, which shall be maintained for  
7 not less than one year.

8 (v) With a written statement of a proper purpose,  
9 such other records of the board as are available for  
10 inspection by members of a not-for-profit corporation  
11 pursuant to Section 107.75 of the General Not For  
12 Profit Corporation Act of 1986 shall be maintained.

13 (vi) With respect to units owned by a land trust, a  
14 living trust, or other legal entity, the trustee,  
15 officer, or manager of the entity may designate, in  
16 writing, a person to cast votes on behalf of the member  
17 or unit owner and a designation shall remain in effect  
18 until a subsequent document is filed with the  
19 association.

20 (2) Where a request for records under this subsection  
21 is made in writing to the board or its agent, failure to  
22 provide the requested record or to respond within 30 days  
23 shall be deemed a denial by the board.

24 (3) A reasonable fee may be charged by the board for  
25 the cost of retrieving and copying records properly  
26 requested.

1           (4) If the board fails to provide records properly  
2 requested under paragraph (1) of this subsection (i) within  
3 the time period provided in that paragraph (1), the member  
4 may seek appropriate relief and shall be entitled to an  
5 award of reasonable attorney's fees and costs if the member  
6 prevails and the court finds that such failure is due to  
7 the acts or omissions of the board of managers or the board  
8 of directors.

9           (j) The board shall have standing and capacity to act in a  
10 representative capacity in relation to matters involving the  
11 common areas or more than one unit, on behalf of the members or  
12 unit owners as their interests may appear.

13           (Source: P.A. 98-232, eff. 1-1-14; 98-241, eff. 8-9-13; 98-756,  
14 eff. 7-16-14; 99-41, eff. 7-14-15.)

15           Section 10. The Condominium Property Act is amended by  
16 changing Sections 9, 15, 18, 18.4, and 19 as follows:

17           (765 ILCS 605/9) (from Ch. 30, par. 309)

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

19           (a) All common expenses incurred or accrued prior to the  
20 first conveyance of a unit shall be paid by the developer, and  
21 during this period no common expense assessment shall be  
22 payable to the association. It shall be the duty of each unit  
23 owner including the developer to pay his proportionate share of  
24 the common expenses commencing with the first conveyance. The

1 proportionate share shall be in the same ratio as his  
2 percentage of ownership in the common elements set forth in the  
3 declaration.

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

7 (c) Budget and reserves.

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

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

1 and equipment; (ii) the current and anticipated return on  
2 investment of association funds; (iii) any independent  
3 professional reserve study which the association shall ~~may~~  
4 obtain; (iv) the financial impact on unit owners, and the  
5 market value of the condominium units, of any assessment  
6 increase needed to fund reserves; and (v) the ability of  
7 the association to obtain financing or refinancing.

8 Additionally, to assist the board of managers in  
9 determining the appropriate amount of reserves, a reserve  
10 study shall be conducted by a qualified independent  
11 professional for all properties with 7 or more units. Every  
12 3 years, an updated reserve study shall be prepared using a  
13 visual site inspection by a qualified independent  
14 professional.

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

24 (4) In the event that an association elects to waive  
25 all or part of the reserve requirements of this Section,  
26 that fact must be disclosed after the meeting at which the



1 waiver occurs by the association in the financial  
2 statements of the association and, highlighted in bold  
3 print, in the response to any request of a prospective  
4 purchaser for the information prescribed under Section  
5 22.1; and no member of the board of managers or the  
6 managing agent of the association shall be liable, and no  
7 cause of action may be brought for damages against these  
8 parties, for the lack or inadequacy of reserve funds in the  
9 association budget.

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

1           then, to the extent that there are not any contrary  
2           provisions in the association's declaration and bylaws,  
3           the board of managers has the authority, in its discretion,  
4           to address the deficit by incorporating it into the  
5           following year's annual budget. If 20% of the unit owners  
6           of the association deliver a petition objecting to the  
7           action under this paragraph (5) within 30 days after notice  
8           to the unit owners of the action, the board of managers  
9           shall call a meeting of the unit owners within 30 days of  
10          the date of delivery of the petition. At the meeting, the  
11          unit owners may vote to select a different option than the  
12          option selected by the board of managers. Unless a majority  
13          of the total votes of the unit owners are cast at the  
14          meeting to reject the board's selection and select a  
15          different option, the board's decision is ratified.

16          (d) (Blank).

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

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

23          (g) Lien.

24                 (1) If any unit owner shall fail or refuse to make any  
25                 payment of the common expenses or the amount of any unpaid  
26                 fine when due, the amount thereof together with any

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

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

1 mailing address set forth in the recorded encumbrance a  
2 statement of the amounts and due dates of the unpaid common  
3 expenses with respect to the encumbered unit, then, unless  
4 otherwise provided in the declaration or bylaws, the prior  
5 recorded encumbrance shall be subject to the lien of all  
6 unpaid common expenses with respect to the unit which  
7 become due and payable within a period of 90 days after the  
8 date of mailing of each such notice.

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

1 entered by the court.

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

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

1 fees, if any, required by subdivisions (g) (1) and (g) (4) of  
2 Section 9 of this Act.

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

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

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

1 expenses payable with respect to the unit, and upon payment the  
2 encumbrancer shall have a lien on the unit for the amounts paid  
3 at the same rank as the lien of his encumbrance.

4 (k) Nothing in Public Act 83-1271 is intended to change the  
5 lien priorities of any encumbrance created prior to August 30,  
6 1984.

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

8 (765 ILCS 605/15) (from Ch. 30, par. 315)

9 Sec. 15. Sale of property.

10 (a) Unless a greater percentage is provided for in the  
11 declaration or bylaws, and notwithstanding the provisions of  
12 Sections 13 and 14 hereof, a majority of the unit owners where  
13 the property contains 2 units, or not less than 66 2/3% where  
14 the property contains 3 ~~three~~ units, or ~~and~~ not less than 75%  
15 where the property contains 4 to 6 ~~or more~~ units, or not less  
16 than 85% where the property contains 7 or more units may, by  
17 affirmative vote at a meeting of unit owners duly called for  
18 such purpose, elect to sell the property. A vote to approve a  
19 deconversion shall be independently conducted and shall be at  
20 the expense of the party acquiring ownership rights to the  
21 property. Any party, including the board of managers, involved  
22 in the marketing or sale of the property may be privy only to  
23 the percentage of votes collected, but not the voting tallies,  
24 until the final vote is revealed. Such action shall be binding  
25 upon all unit owners, and it shall thereupon become the duty of

1 every unit owner to execute and deliver such instruments and to  
2 perform all acts as in manner and form may be necessary to  
3 effect such sale, provided, however, that any unit owner who  
4 did not vote in favor of such action and who has filed written  
5 objection thereto with the manager or board of managers within  
6 20 days after the date of the meeting at which such sale was  
7 approved shall be entitled to receive from the proceeds of such  
8 sale an amount equivalent to the greater of: (i) the value of  
9 his or her interest, as determined by a fair appraisal, less  
10 the amount of any unpaid assessments or charges due and owing  
11 from such unit owner or (ii) the outstanding balance of any  
12 bona fide debt secured by the objecting unit owner's interest  
13 which was incurred by such unit owner in connection with the  
14 acquisition or refinance of the unit owner's interest, less the  
15 amount of any unpaid assessments or charges due and owing from  
16 such unit owner. The objecting unit owner is also entitled to  
17 receive from the proceeds of a sale under this Section  
18 reimbursement for reasonable relocation costs, determined in  
19 the same manner as under the federal Uniform Relocation  
20 Assistance and Real Property Acquisition Policies Act of 1970,  
21 as amended from time to time, and as implemented by regulations  
22 promulgated under that Act.

23 (b) If there is a disagreement as to the value of the  
24 interest of a unit owner who did not vote in favor of the sale  
25 of the property, that unit owner shall have a right to  
26 designate an expert in appraisal or property valuation to



1 represent him, in which case, the prospective purchaser of the  
2 property shall designate an expert in appraisal or property  
3 valuation to represent him, and both of these experts shall  
4 mutually designate a third expert in appraisal or property  
5 valuation. The 3 experts shall constitute a panel to determine  
6 by vote of at least 2 of the members of the panel, the value of  
7 that unit owner's interest in the property. The changes made by  
8 this amendatory Act of the 100th General Assembly apply to  
9 sales under this Section that are pending or commenced on and  
10 after the effective date of this amendatory Act of the 100th  
11 General Assembly.

12 (c) An association that has requested or received a written  
13 offer to sell the property shall inform the unit owners that  
14 the association shall choose counsel to represent its interests  
15 during the real estate sale process with an affirmative vote of  
16 not less than 75% of ownership. The association shall inform  
17 the unit owners at the time of an affirmative vote to  
18 investigate an offer to purchase a condominium property or list  
19 the property for sale that: (1) the attorney of record  
20 represents the association and not the individual unit owner;  
21 (2) the interests of the association may conflict with the  
22 interests of a specific unit owner; and (3) any unit owner may  
23 retain the representation of independent counsel. The attorney  
24 of record, or his or her employees, agents, or assigns, shall  
25 not engage in any work, paid or unpaid, that creates an actual  
26 or potential conflict of interest. If a conflict of interest

1 exists, the attorney shall inform the association.

2 (d) It is a violation of this Act for a person,  
3 partnership, corporation, or other legal entity entitled to  
4 transact business on behalf of others, to communicate with a  
5 unit owner, or any member of his or her household, for the  
6 purpose of purchasing his or her property once the unit owner  
7 has affirmatively requested that such a communication not be  
8 made.

9 (e) It is a violation of this Act for a buyer, or his or her  
10 agent, representative, assign, or affiliate, who is  
11 considering buying a condominium building to make or attempt to  
12 make an offer on the property, or, in the process of purchasing  
13 the property, including any time after an offer has been made,  
14 to offer any consideration, financial or otherwise, as an  
15 incentive to procure the affirmative vote to the bulk sale from  
16 the unit owner or to influence the outcome of the condominium  
17 ownership's vote in favor of the buyer or his or her agent,  
18 representative, assign, affiliate, or related entity. A buyer  
19 may offer financial consideration in exchange for the purchase  
20 of a condominium unit or building, however, the buyer, or his  
21 or her agent, representative, or affiliate, may not offer  
22 consideration to any individual or entity who is an owner in  
23 the building he or she is seeking to purchase beyond what has  
24 been specified for each owner in the purchase offer document.  
25 Consideration, financial or otherwise, in excess of what was  
26 promised to each unit owner in a written contract that all

1 owners are privy to is a prohibited form of vote-buying and a  
2 disallowed quid pro quo. Any violation of this subsection that  
3 occurs without the disclosure and consent of the board of  
4 managers and the condominium association shall render the bulk  
5 sale agreement illegitimate and unenforceable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 meeting;

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

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

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

1 association require, to each other unit owner, as required  
2 by subsection (f) of Section 18.8, by mail or delivery, and  
3 that no other notice of a meeting of the board of managers  
4 need be given to any unit owner;

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

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

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



1 shall include the authority for the members of the board to  
2 fill the vacancy for the unexpired portion of the term;

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

5 (15) provisions concerning notice of board meetings to  
6 members of the board;

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

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

1 biographical and background information in the information  
2 to be disseminated; and (ii) the board does not express a  
3 preference in favor of any candidate;

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

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

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

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

26 The intent of the provisions of Public Act 99-472

1 adding this paragraph (21) is to empower and support boards  
2 to act in emergencies.

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

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

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

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

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

24 (6) that written notice of any membership meeting shall  
25 be mailed or delivered giving members no less than 10 and  
26 no more than 30 days notice of the time, place and purpose

1 of such meeting except that notice may be sent, to the  
2 extent the condominium instruments or rules adopted  
3 thereunder expressly so provide, by electronic  
4 transmission consented to by the unit owner to whom the  
5 notice is given, provided the director and officer or his  
6 agent certifies in writing to the delivery by electronic  
7 transmission;

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

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

1 other owners of the unit;

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

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

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

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

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

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

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

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

15          (11) that in the event of a resale of a condominium  
16          unit the purchaser of a unit from a seller other than the  
17          developer pursuant to an installment sales contract for  
18          purchase shall during such times as he or she resides in  
19          the unit be counted toward a quorum for purposes of  
20          election of members of the board of managers at any meeting  
21          of the unit owners called for purposes of electing members  
22          of the board, shall have the right to vote for the election  
23          of members of the board of managers and to be elected to  
24          and serve on the board of managers unless the seller  
25          expressly retains in writing any or all of such rights. In  
26          no event may the seller and purchaser both be counted



1 toward a quorum, be permitted to vote for a particular  
2 office or be elected and serve on the board. Satisfactory  
3 evidence of the installment sales contract shall be made  
4 available to the association or its agents. For purposes of  
5 this subsection, "installment sales contract" shall have  
6 the same meaning as set forth in Section 5 of the  
7 Installment Sales Contract Act and Section 1(e) of the  
8 Dwelling Unit Installment Contract Act;

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

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

18 (i) merger or consolidation of the association;

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

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

25 (c) Election of a president from among the board of  
26 managers, who shall preside over the meetings of the board

1 of managers and of the unit owners.

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

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

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

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

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

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

1 "fiduciary insurance coverage" shall be defined as both a  
2 fidelity bond and directors and officers liability  
3 coverage, the fidelity bond in the full amount of  
4 association funds and association reserves that will be in  
5 the custody of the association, and the directors and  
6 officers liability coverage at a level as shall be  
7 determined to be reasonable by the board of managers, if  
8 not otherwise established by the declaration or by laws.

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

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

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

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

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

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

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

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

20          (ii) With regard to any lease entered into subsequent  
21          to July 1, 1990 (the effective date of Public Act 86-991),  
22          the unit owner leasing the unit shall deliver a copy of the  
23          signed lease to the board or if the lease is oral, a  
24          memorandum of the lease, not later than the date of  
25          occupancy or 10 days after the lease is signed, whichever  
26          occurs first. In addition to any other remedies, by filing

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

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

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

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

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

17 (r) Unless a lesser percentage of ownership is provided  
18 for in the bylaws, no person, heir assign, family member,  
19 affiliate, partnership, corporation, proxy of a  
20 corporation and its beneficial owners, other legal entity  
21 entitled to transact business on behalf of others, or legal  
22 entity acting on behalf of a corporation or its beneficial  
23 owners may own more than 10% of the units for a property  
24 containing 30 or more units, more than 15% of the units for  
25 a property containing 20 to 29 units, more than 20% of the  
26 units for a property containing 5 to 19 units, and no more

1       than a single unit for a property containing fewer than 5  
2       units.

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

10       (Source: P.A. 99-472, eff. 6-1-16; 99-567, eff. 1-1-17; 99-642,  
11       eff. 7-28-16; 100-292, eff. 1-1-18; 100-416, eff. 1-1-18;  
12       100-863, eff. 8-14-18.)

13       (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

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

21             (a) To provide for the operation, care, upkeep,  
22       maintenance, replacement and improvement of the common  
23       elements. Nothing in this subsection (a) shall be deemed to  
24       invalidate any provision in a condominium instrument  
25       placing limits on expenditures for the common elements,



1 provided, that such limits shall not be applicable to  
2 expenditures for repair, replacement, or restoration of  
3 existing portions of the common elements. The term "repair,  
4 replacement or restoration" means expenditures to  
5 deteriorated or damaged portions of the property related to  
6 the existing decorating, facilities, or structural or  
7 mechanical components, interior or exterior surfaces, or  
8 energy systems and equipment with the functional  
9 equivalent of the original portions of such areas.  
10 Replacement of the common elements may result in an  
11 improvement over the original quality of such elements or  
12 facilities; provided that, unless the improvement is  
13 mandated by law or is an emergency as defined in item (iv)  
14 of subparagraph (8) of paragraph (a) of Section 18, if the  
15 improvement results in a proposed expenditure exceeding 5%  
16 of the annual budget, the board of managers, upon written  
17 petition by unit owners with 20% of the votes of the  
18 association delivered to the board within 21 days of the  
19 board action to approve the expenditure, shall call a  
20 meeting of the unit owners within 30 days of the date of  
21 delivery of the petition to consider the expenditure.  
22 Unless a majority of the total votes of the unit owners are  
23 cast at the meeting to reject the expenditure, it is  
24 ratified. The board of managers shall obtain statements  
25 from licensed independent contractors validating the need  
26 and the cost for any expenditures for repair, replacement,

1           or restoration of the common elements.

2           (b) To prepare, adopt and distribute the annual budget  
3 for the property.

4           (c) To levy and expend assessments.

5           (d) To collect assessments from unit owners.

6           (e) To provide for the employment and dismissal of the  
7 personnel necessary or advisable for the maintenance and  
8 operation of the common elements.

9           (f) To obtain adequate and appropriate kinds of  
10 insurance.

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

13           (h) To adopt and amend rules and regulations covering  
14 the details of the operation and use of the property, after  
15 a meeting of the unit owners called for the specific  
16 purpose of discussing the proposed rules and regulations.  
17 Notice of the meeting shall contain the full text of the  
18 proposed rules and regulations, and the meeting shall  
19 conform to the requirements of Section 18(b) of this Act,  
20 except that no quorum is required at the meeting of the  
21 unit owners unless the declaration, bylaws or other  
22 condominium instrument expressly provides to the contrary.  
23 However, no rule or regulation may impair any rights  
24 guaranteed by the First Amendment to the Constitution of  
25 the United States or Section 4 of Article I of the Illinois  
26 Constitution including, but not limited to, the free

1 exercise of religion, nor may any rules or regulations  
2 conflict with the provisions of this Act or the condominium  
3 instruments. No rule or regulation shall prohibit any  
4 reasonable accommodation for religious practices,  
5 including the attachment of religiously mandated objects  
6 to the front-door area of a condominium unit.

7 (i) To keep detailed, accurate records of the receipts  
8 and expenditures affecting the use and operation of the  
9 property.

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

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

21 (l) To impose charges for late payment of a unit  
22 owner's proportionate share of the common expenses, or any  
23 other expenses lawfully agreed upon, and after notice and  
24 an opportunity to be heard, to levy reasonable fines for  
25 violation of the declaration, by-laws, and rules and  
26 regulations of the association.

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

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

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

21          (p) To seek relief on behalf of all unit owners when  
22          authorized pursuant to subsection (c) of Section 10 from or  
23          in connection with the assessment or levying of real  
24          property taxes, special assessments, and any other special  
25          taxes or charges of the State of Illinois or of any  
26          political subdivision thereof or of any lawful taxing or

1 assessing body.

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

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

20 (s) To adopt and amend rules and regulations (1)  
21 authorizing electronic delivery of notices and other  
22 communications required or contemplated by this Act to each  
23 unit owner who provides the association with written  
24 authorization for electronic delivery and an electronic  
25 address to which such communications are to be  
26 electronically transmitted; and (2) authorizing each unit

1 owner to designate an electronic address or a U.S. Postal  
2 Service address, or both, as the unit owner's address on  
3 any list of members or unit owners which an association is  
4 required to provide upon request pursuant to any provision  
5 of this Act or any condominium instrument.

6 (t) To reject any arrangement that establishes an  
7 agreement for a buyer to purchase a condominium building,  
8 including a letter of intent.

9 (u) To refrain from investigating an offer to purchase  
10 a condominium property or listing the property for sale  
11 without first receiving authorization from the association  
12 through an affirmative vote of not less than 75% of unit  
13 owners based on the percentage of ownership.

14 In the performance of their duties, the officers and  
15 members of the board, whether appointed by the developer or  
16 elected by the unit owners, shall exercise the care required of  
17 a fiduciary of the unit owners. Every officer and member of the  
18 board who violates, participates in, or permits any officer,  
19 agent, or assign of the board to breach his or her fiduciary  
20 duty shall be held liable in his or her personal or individual  
21 capacity under this Section for the following:

22 (1) an act or omission that is grossly negligent;

23 (2) a breach of the officer's duty of loyalty to the  
24 association;

25 (3) an act or omission not in good faith or that  
26 involves intentional misconduct or a knowing violation of

1           the law;  
2           (4) a transaction from which the officer derived an  
3           improper personal benefit; or  
4           (5) an act or omission occurring before the effective  
5           date of a provision authorized by this Section.

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

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

17          (Source: P.A. 99-143, eff. 7-27-15; 99-849, eff. 1-1-17;  
18          100-292, eff. 1-1-18.)

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

20                 Sec. 19. Records of the association; availability for  
21                 examination.

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

25                         (1) the association's declaration, bylaws, and plats

1 of survey, and all amendments of these;

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

4 (3) if the association is incorporated as a  
5 corporation, the articles of incorporation of the  
6 association and all amendments to the articles of  
7 incorporation;

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

10 (5) all current policies of insurance of the  
11 association;

12 (6) all contracts, leases, and other agreements then in  
13 effect to which the association is a party or under which  
14 the association or the unit owners have obligations or  
15 liabilities;

16 (6.5) all statements from licensed independent  
17 contractors validating the need and the cost for any  
18 expenditures for repair, replacement, or restoration of  
19 the common elements;

20 (7) a current listing of the names, addresses, email  
21 addresses, telephone numbers, and weighted vote of all  
22 members entitled to vote;

23 (8) ballots and proxies related to ballots for all  
24 matters voted on by the members of the association during  
25 the immediately preceding 12 months, including, but not  
26 limited to, the election of members of the board of



1 managers; ~~and~~

2 (9) the books and records for the association's current  
3 and 10 immediately preceding fiscal years, including, but  
4 not limited to, itemized and detailed records of all  
5 receipts, expenditures, and accounts; and ~~and~~

6 (10) the communications of any member of the board of  
7 managers regarding an attempt to sell the condominium  
8 property.

9 (b) Any member of an association shall have the right to  
10 inspect, examine, and make copies of the records described in  
11 subdivisions (1), (2), (3), (4), (5), (6), (6.5), ~~and~~ (9), and  
12 (10) of subsection (a) of this Section, in person or by agent,  
13 at any reasonable time or times, at the association's principal  
14 office. The board of managers shall provide unit owners a copy  
15 of the records described in subdivision (6.5) of subsection  
16 (a), so that the unit owners may review them before voting to  
17 approve expenditures. In order to exercise this right, a member  
18 must submit a written request to the association's board of  
19 managers or its authorized agent, stating with particularity  
20 the records sought to be examined. Failure of an association's  
21 board of managers to make available all records so requested  
22 within 10 business days of receipt of the member's written  
23 request shall be deemed a denial.

24 Any member who prevails in an enforcement action to compel  
25 examination of records described in subdivisions (1), (2), (3),  
26 (4), (5), (6), (6.5), ~~and~~ (9), and (10) of subsection (a) of

1 this Section shall be entitled to recover reasonable attorney's  
2 fees and costs from the association.

3 (c) (Blank).

4 (d) (Blank).

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

10 (e) Except as otherwise provided in subsection (g) of this  
11 Section, any member of an association shall have the right to  
12 inspect, examine, and make copies of the records described in  
13 subdivisions (7) and (8) of subsection (a) of this Section, in  
14 person or by agent, at any reasonable time or times but only  
15 for a purpose that relates to the association, at the  
16 association's principal office. In order to exercise this  
17 right, a member must submit a written request, to the  
18 association's board of managers or its authorized agent,  
19 stating with particularity the records sought to be examined.  
20 As a condition for exercising this right, the board of managers  
21 or authorized agent of the association may require the member  
22 to certify in writing that the information contained in the  
23 records obtained by the member will not be used by the member  
24 for any commercial purpose or for any purpose that does not  
25 relate to the association. The board of managers of the  
26 association may impose a fine in accordance with item (1) of

1 Section 18.4 upon any person who makes a false certification.  
2 Subject to the provisions of subsection (g) of this Section,  
3 failure of an association's board of managers to make available  
4 all records so requested within 10 business days of receipt of  
5 the member's written request shall be deemed a denial;  
6 provided, however, that the board of managers of an association  
7 that has adopted a secret ballot election process as provided  
8 in Section 18 of this Act shall not be deemed to have denied a  
9 member's request for records described in subdivision (8) of  
10 subsection (a) of this Section if voting ballots, without  
11 identifying unit numbers, are made available to the requesting  
12 member within 10 business days of receipt of the member's  
13 written request. All information and documentation regarding  
14 the process, including all parties involved and all information  
15 and documentation regarding the need for and cost of a repair,  
16 replacement, or other alleged need for a special assessment for  
17 the condominium property, shall be disclosed to all unit owners  
18 at least 30 days prior to a vote.

19 Any member who prevails in an enforcement action to compel  
20 examination of records described in subdivision (7) or (8) of  
21 subsection (a) of this Section shall be entitled to recover  
22 reasonable attorney's fees and costs from the association only  
23 if the court finds that the board of directors acted in bad  
24 faith in denying the member's request.

25 (f) The actual cost to the association of retrieving and  
26 making requested records available for inspection and

1 examination under this Section may be charged by the  
2 association to the requesting member. If a member requests  
3 copies of records requested under this Section, the actual  
4 costs to the association of reproducing the records may also be  
5 charged by the association to the requesting member.

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

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

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

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

19 (4) documents relating to common expenses or other  
20 charges owed by a member other than the requesting member;  
21 and

22 (5) documents provided to an association in connection  
23 with the lease, sale, or other transfer of a unit by a  
24 member other than the requesting member.

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

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

6 (Source: P.A. 100-292, eff. 1-1-18; 100-863, eff. 8-14-18.)

1 INDEX

2 Statutes amended in order of appearance

3 765 ILCS 160/1-30

4 765 ILCS 605/9 from Ch. 30, par. 309

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

6 765 ILCS 605/18 from Ch. 30, par. 318

7 765 ILCS 605/18.4 from Ch. 30, par. 318.4

8 765 ILCS 605/19 from Ch. 30, par. 319