

1 AN ACT in relation to property.

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

4 Section 5. The Condominium Property Act is amended by  
5 changing Section 18 as follows:

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

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

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

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

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

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

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

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

30 (7) that the board of managers shall annually  
31 supply to all unit owners an itemized accounting of the

1 common expenses for the preceding year actually incurred  
2 or paid, together with an indication of which portions  
3 were for reserves, capital expenditures or repairs or  
4 payment of real estate taxes and with a tabulation of the  
5 amounts collected pursuant to the budget or assessment,  
6 and showing the net excess or deficit of income over  
7 expenditures plus reserves;

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

1 item (v) below. As used herein, "emergency" means an  
2 immediate danger to the structural integrity of the  
3 common elements or to the life, health, safety or  
4 property of the unit owners, (v) that assessments for  
5 additions and alterations to the common elements or to  
6 association-owned property not included in the adopted  
7 annual budget, shall be separately assessed and are  
8 subject to approval of two-thirds of the total votes of  
9 all unit owners, (vi) that the board of managers may  
10 adopt separate assessments payable over more than one  
11 fiscal year. With respect to multi-year assessments not  
12 governed by items (iv) and (v), the entire amount of the  
13 multi-year assessment shall be deemed considered and  
14 authorized in the first fiscal year in which the  
15 assessment is approved;

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

1 of such notice is signed by the person or persons  
2 entitled to such notice pursuant to the declaration,  
3 bylaws, other condominium instrument, or provision of law  
4 other than this subsection before the meeting is  
5 convened, and that copies of notices of meetings of the  
6 board of managers shall be posted in entranceways,  
7 elevators, or other conspicuous places in the condominium  
8 at least 48 hours prior to the meeting of the board of  
9 managers except where there is no common entranceway for  
10 7 or more units, the board of managers may designate one  
11 or more locations in the proximity of these units where  
12 the notices of meetings shall be posted;

13 (10) that the board shall meet at least 4 times  
14 annually;

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

18 (12) the designation of an officer to mail and  
19 receive all notices and execute amendments to condominium  
20 instruments as provided for in this Act and in the  
21 condominium instruments;

22 (13) the method of filling vacancies on the board  
23 which shall include authority for the remaining members  
24 of the board to fill the vacancy by two-thirds vote until  
25 the next annual meeting of unit owners or for a period  
26 terminating no later than 30 days following the filing of  
27 a petition signed by unit owners holding 20% of the votes  
28 of the association requesting a meeting of the unit  
29 owners to fill the vacancy for the balance of the term,  
30 and that a meeting of the unit owners shall be called for  
31 purposes of filling a vacancy on the board no later than  
32 30 days following the filing of a petition signed by unit  
33 owners holding 20% of the votes of the association  
34 requesting such a meeting, and the method of filling

1           vacancies among the officers that shall include the  
2           authority for the members of the board to fill the  
3           vacancy for the unexpired portion of the term;

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

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

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

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

31          (18) any proxy distributed for board elections by  
32          the board of managers gives unit owners the opportunity  
33          to designate any person as the proxy holder, and gives  
34          the unit owner the opportunity to express a preference

1 for any of the known candidates for the board or to write  
2 in a name;

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

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

11 (b) (1) What percentage of the unit owners, if other  
12 than 20%, shall constitute a quorum provided that, for  
13 condominiums with 20 or more units, the percentage of  
14 unit owners constituting a quorum shall be 20% unless the  
15 unit owners holding a majority of the percentage interest  
16 in the association provide for a higher percentage;

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

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

22 (4) the method of calling meetings of the unit  
23 owners;

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

27 (6) that written notice of any membership meeting  
28 shall be mailed or delivered giving members no less than  
29 10 and no more than 30 days notice of the time, place and  
30 purpose of such meeting;

31 (7) that voting shall be on a percentage basis, and  
32 that the percentage vote to which each unit is entitled  
33 is the percentage interest of the undivided ownership of  
34 the common elements appurtenant thereto, provided that

1 the bylaws may provide for approval by unit owners in  
2 connection with matters where the requisite approval on a  
3 percentage basis is not specified in this Act, on the  
4 basis of one vote per unit;

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

17 (9)(A) that unless the Articles of Incorporation  
18 or the bylaws otherwise provide, and except as provided  
19 in subparagraph (B) of this paragraph (9) in connection  
20 with board elections, a unit owner may vote by proxy  
21 executed in writing by the unit owner or by his duly  
22 authorized attorney in fact; ~~that--the-proxy-shall-be~~  
23 ~~invalid-after-11-months-from-the-date-of--its--execution,~~  
24 ~~unless--otherwise--provided--in--the--proxy,~~ and that the  
25 every proxy must bear the date of execution and, unless  
26 the condominium instruments or the written proxy itself  
27 provide otherwise, is invalid after 11 months from the  
28 date of its execution;

29 (B) that if a rule adopted at least 120 days before  
30 a board election or the declaration or bylaws provide for  
31 balloting as set forth in this subsection, unit owners  
32 may not vote by proxy in board elections, but may vote  
33 only (i) by submitting an association-issued ballot in  
34 person at the election meeting or (ii) by submitting an

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

24 (C) that if a written petition by unit owners with  
25 at least 20% of the votes of the association is delivered  
26 to the board within 14 days after the board's approval of  
27 a rule adopted pursuant to subparagraph (B) of this  
28 paragraph (9), the board shall call a meeting of the unit  
29 owners within 30 days after the date of delivery of the  
30 petition; that unless a majority of the total votes of  
31 the unit owners are cast at the meeting to reject the  
32 rule, the rule is ratified;

33 (10) that the association may, upon adoption of the  
34 appropriate rules by the board of managers, conduct



1 elections by secret ballot whereby the voting ballot is  
2 marked only with the percentage interest for the unit and  
3 the vote itself, provided that the board further adopt  
4 rules to verify the status of the unit owner issuing a  
5 proxy or casting a ballot; and further, that a candidate  
6 for election to the board of managers or such candidate's  
7 representative shall have the right to be present at the  
8 counting of ballots at such election;

9 (11) that in the event of a resale of a condominium  
10 unit the purchaser of a unit from a seller other than the  
11 developer pursuant to an installment contract for  
12 purchase shall during such times as he or she resides in  
13 the unit be counted toward a quorum for purposes of  
14 election of members of the board of managers at any  
15 meeting of the unit owners called for purposes of  
16 electing members of the board, shall have the right to  
17 vote for the election of members of the board of managers  
18 and to be elected to and serve on the board of managers  
19 unless the seller expressly retains in writing any or all  
20 of such rights. In no event may the seller and purchaser  
21 both be counted toward a quorum, be permitted to vote for  
22 a particular office or be elected and serve on the board.  
23 Satisfactory evidence of the installment contract shall be  
24 made available to the association or its agents. For  
25 purposes of this subsection, "installment contract" shall  
26 have the same meaning as set forth in Section 1 (e) of  
27 "An Act relating to installment contracts to sell  
28 dwelling structures", approved August 11, 1967, as  
29 amended;

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

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

5           (i) merger or consolidation of the  
6 association;

7           (ii) sale, lease, exchange, or other  
8 disposition (excluding the mortgage or pledge) of  
9 all, or substantially all of the property and assets  
10 of the association; and

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

13           (c) Election of a president from among the board of  
14 managers, who shall preside over the meetings of the board of  
15 managers and of the unit owners.

16           (d) Election of a secretary from among the board of  
17 managers, who shall keep the minutes of all meetings of the  
18 board of managers and of the unit owners and who shall, in  
19 general, perform all the duties incident to the office of  
20 secretary.

21           (e) Election of a treasurer from among the board of  
22 managers, who shall keep the financial records and books of  
23 account.

24           (f) Maintenance, repair and replacement of the common  
25 elements and payments therefor, including the method of  
26 approving payment vouchers.

27           (g) An association with 30 or more units shall obtain  
28 and maintain fidelity insurance covering persons who control  
29 or disburse funds of the association for the maximum amount  
30 of coverage available to protect funds in the custody or  
31 control of the association plus the association reserve fund.  
32 All management companies which are responsible for the funds  
33 held or administered by the association shall maintain and  
34 furnish to the association a fidelity bond for the maximum

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

23 For the purpose of this subsection a management company  
24 shall be defined as a person, partnership, corporation, or  
25 other legal entity entitled to transact business on behalf of  
26 others, acting on behalf of or as an agent for a unit owner,  
27 unit owners or association of unit owners for the purpose of  
28 carrying out the duties, responsibilities, and other  
29 obligations necessary for the day to day operation and  
30 management of any property subject to this Act. For purposes  
31 of this subsection, the term "fiduciary insurance coverage"  
32 shall be defined as both a fidelity bond and directors and  
33 officers liability coverage, the fidelity bond in the full  
34 amount of association funds and association reserves that

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

5 Until one year after the effective date of this  
6 amendatory Act of 1985, if a condominium association has  
7 reserves plus assessments in excess of \$250,000 and cannot  
8 reasonably obtain 100% fidelity bond coverage for such  
9 amount, then it must obtain a fidelity bond coverage of  
10 \$250,000.

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

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

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

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

29 (l) Method of adopting and of amending administrative  
30 rules and regulations governing the operation and use of the  
31 common elements.

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

1           (n) (i) The provisions of this Act, the declaration,  
2 bylaws, other condominium instruments, and rules and  
3 regulations that relate to the use of the individual unit or  
4 the common elements shall be applicable to any person leasing  
5 a unit and shall be deemed to be incorporated in any lease  
6 executed or renewed on or after the effective date of this  
7 amendatory Act of 1984. (ii) With regard to any lease entered  
8 into subsequent to the effective date of this amendatory Act  
9 of 1989, the unit owner leasing the unit shall deliver a copy  
10 of the signed lease to the board or if the lease is oral, a  
11 memorandum of the lease, not later than the date of occupancy  
12 or 10 days after the lease is signed, whichever occurs first.  
13 In addition to any other remedies, by filing an action  
14 jointly against the tenant and the unit owner, an association  
15 may seek to enjoin a tenant from occupying a unit or seek to  
16 evict a tenant under the provisions of Article IX of the Code  
17 of Civil Procedure for failure of the lessor-owner to comply  
18 with the leasing requirements prescribed by this Section or  
19 by the declaration, bylaws, and rules and regulations. The  
20 board of managers may proceed directly against a tenant, at  
21 law or in equity, or under the provisions of Article IX of  
22 the Code of Civil Procedure, for any other breach by tenant  
23 of any covenants, rules, regulations or bylaws.

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

26           (p) That when 30% or fewer of the units, by number,  
27 possess over 50% in the aggregate of the votes in the  
28 association, any percentage vote of members specified herein  
29 or in the condominium instruments shall require the specified  
30 percentage by number of units rather than by percentage of  
31 interest in the common elements allocated to units that would  
32 otherwise be applicable.

33           (q) That a unit owner may not assign, delegate,  
34 transfer, surrender, or avoid the duties, responsibilities,

1 and liabilities of a unit owner under this Act, the  
2 condominium instruments, or the rules and regulations of the  
3 Association; and that such an attempted assignment,  
4 delegation, transfer, surrender, or avoidance shall be deemed  
5 void.

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

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