

1 AN ACT concerning civil law.

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

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

6 (765 ILCS 160/1-20)

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

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

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

1 association or the community instruments.

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

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

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

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

1 (765 ILCS 160/1-45)

2 Sec. 1-45. Finances.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (c) Budget and reserves.

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

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

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

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

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

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

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

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

13 (d) (Blank).

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

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

20 (g) Lien.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 Sec. 15. Sale of property.

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

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

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

1 General Assembly.

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

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

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

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

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

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

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

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

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

1 real estate taxes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the proxy must bear the date of execution and, unless the
2 condominium instruments or the written proxy itself
3 provide otherwise, is invalid after 11 months from the date
4 of its execution; to the extent the condominium instruments
5 or rules adopted thereunder expressly so provide, a vote or
6 proxy may be submitted by electronic transmission,
7 provided that any such electronic transmission shall
8 either set forth or be submitted with information from
9 which it can be determined that the electronic transmission
10 was authorized by the unit owner or the unit owner's proxy;

11 (B) that if a rule adopted at least 120 days before a
12 board election or the declaration or bylaws provide for
13 balloting as set forth in this subsection, unit owners may
14 not vote by proxy in board elections, but may vote only (i)
15 by submitting an association-issued ballot in person at the
16 election meeting or (ii) by submitting an
17 association-issued ballot to the association or its
18 designated agent by mail or other means of delivery
19 specified in the declaration, bylaws, or rule; that the
20 ballots shall be mailed or otherwise distributed to unit
21 owners not less than 10 and not more than 30 days before
22 the election meeting, and the board shall give unit owners
23 not less than 21 days' prior written notice of the deadline
24 for inclusion of a candidate's name on the ballots; that
25 the deadline shall be no more than 7 days before the
26 ballots are mailed or otherwise distributed to unit owners;

1 that every such ballot must include the names of all
2 candidates who have given the board or its authorized agent
3 timely written notice of their candidacy and must give the
4 person casting the ballot the opportunity to cast votes for
5 candidates whose names do not appear on the ballot; that a
6 ballot received by the association or its designated agent
7 after the close of voting shall not be counted; that a unit
8 owner who submits a ballot by mail or other means of
9 delivery specified in the declaration, bylaws, or rule may
10 request and cast a ballot in person at the election
11 meeting, and thereby void any ballot previously submitted
12 by that unit owner;

13 (B-5) that if a rule adopted at least 120 days before a
14 board election or the declaration or bylaws provide for
15 balloting as set forth in this subparagraph, unit owners
16 may not vote by proxy in board elections, but may vote only
17 (i) by submitting an association-issued ballot in person at
18 the election meeting; or (ii) by any acceptable
19 technological means as defined in Section 2 of this Act;
20 instructions regarding the use of electronic means for
21 voting shall be distributed to all unit owners not less
22 than 10 and not more than 30 days before the election
23 meeting, and the board shall give unit owners not less than
24 21 days' prior written notice of the deadline for inclusion
25 of a candidate's name on the ballots; the deadline shall be
26 no more than 7 days before the instructions for voting

1 using electronic or acceptable technological means is
2 distributed to unit owners; every instruction notice must
3 include the names of all candidates who have given the
4 board or its authorized agent timely written notice of
5 their candidacy and must give the person voting through
6 electronic or acceptable technological means the
7 opportunity to cast votes for candidates whose names do not
8 appear on the ballot; a unit owner who submits a vote using
9 electronic or acceptable technological means may request
10 and cast a ballot in person at the election meeting,
11 thereby voiding any vote previously submitted by that unit
12 owner;

13 (C) that if a written petition by unit owners with at
14 least 20% of the votes of the association is delivered to
15 the board within 30 ~~14~~ days after the board's approval of a
16 rule adopted pursuant to subparagraph (B) or subparagraph
17 (B-5) of this paragraph (9), the board shall call a meeting
18 of the unit owners within 30 days after the date of
19 delivery of the petition; that unless a majority of the
20 total votes of the unit owners are cast at the meeting to
21 reject the rule, the rule is ratified;

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

26 (10) that the association may, upon adoption of the

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

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

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

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

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

12 (i) merger or consolidation of the association;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (c) To levy and expend assessments.

9 (d) To collect assessments from unit owners.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (765 ILCS 605/18.10 new)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 shall be deemed a denial.

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

7 (c) (Blank).

8 (d) (Blank).

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

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

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

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

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

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

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

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

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

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

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

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

1 member other than the requesting member.

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

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

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

11 Sec. 27. Amendments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Sec. 31. Subdivision or combination of units.

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

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

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

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

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

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

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

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

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

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

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

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