ILLINOIS CONDOMINIUM PROPERTY ACT

ILLINOIS COMMON INTEREST COMMUNITY ASSOCIATION ACT

ILLINOIS CONDOMINIUM AND COMMON INTEREST COMMUNITY OMBUDSPERSON ACT

EXCERPTS FROM THE ILLINOIS GENERAL NOT-FOR-PROFIT CORPORATION ACT OF 1986

EXCERPTS FROM THE CHICAGO CONDOMINIUM ORDINANCE

CHICAGO RESIDENTIAL LANDLORD TENANT ORDINANCE

CHICAGO BED BUG ORDINANCE

SUMMARY OF THE CHICAGO SHARED HOUSING/SHORT TERM RENTAL ORDINANCE

As Effective on January 1, 2025

Compliments of

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ILLINOIS CONDOMINIUM PROPERTY ACT
TABLE OF CONTENTS

DISCLAIMER

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ILLINOIS CONDOMINIUM PROPERTY ACT

Sec. 1 Short title. This Act shall be known and may be cited as the "Condominium Property Act."

Sec. 2 Definitions. As used in this Act, unless the context otherwise requires:

(a) "Declaration" means the instrument by which the property is submitted to the provisions of this Act, as hereinafter provided, and such declaration as from time to time amended.

(b) "Parcel" means the lot or lots, tract or tracts of land, described in the declaration, submitted to the provisions of this Act.

(c) "Property" means all the land, property and space comprising the parcel, all improvements and structures erected, constructed or contained therein or thereon, including the building and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the unit owners, submitted to the provisions of this Act.

(d) "Unit" means a part of the property designed and intended for any type of independent use.

(e) "Common Elements" means all portions of the property except the units, including limited common elements unless otherwise specified.

(f) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(g) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a unit, or, in the case of a leasehold condominium, the lessee or lessees of a unit whose leasehold ownership of the unit expires simultaneously with the lease described in item (x) of this Section.

(h) "Majority" or "majority of the unit owners" means the owners of more than 50% in the aggregate in interest of the undivided ownership of the common elements. Any specified percentage of the unit owners means such percentage in the aggregate in interest of such undivided ownership. "Majority" or "majority of the members of the board of managers' means more than 50% of the total number of persons constituting such board pursuant to the bylaws. Any specified percentage of the members of the board of managers means that percentage of the total number of persons constituting such board pursuant to the bylaws.

(i) "Plat" means a plat or plats of survey of the parcel and of all units in the property submitted to the provisions of this Act, which may consist of a three-dimensional horizontal and vertical delineation of all such units.

(j) "Record" means to record in the office of the recorder or, whenever required, to file in the office of the Registrar of Titles of the county wherein the property is located.

(k) "Conversion Condominium" means a property which contains structures, excepting those newly constructed and intended for condominium ownership, which are, or have previously been, wholly or partially occupied before recording of condominium instruments by persons other than those who have contracted for the purchase of condominiums.

(l) "Condominium Instruments" means all documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the declaration, bylaws and plat.

(m) "Common Expenses" means the proposed or actual expenses affecting the property, including reserves, if any, lawfully assessed by the board of managers of the Unit Owner's Association.

(n) "Reserves" means those sums paid by unit owners which are separately maintained by the board of managers for purposes specified by the board of managers or the condominium instruments.

(o) "Unit Owners" Association" or "Association" means the association of all the unit owners, acting pursuant to bylaws through its duly elected board of managers.

(p) "Purchaser" means any person or persons other than the Developer who purchase a unit in a bona fide transaction for value.

(q) “Developer” means any person who submits property legally or equitably owned in fee simple by the developer, or leased to the developer under a lease described in item (x) of this Section, to the provisions of this Act, or any person who offers units legally or equitably owned in fee simple by the developer, or leased to the developer under a lease described in item (x) of this Section, for sale in the ordinary course of such person’s business, including any successor or successors to such developers’ entire interest in the property other than the purchaser of an individual unit.

(r) “Add-on Condominium” means a property to which additional property may be added in accordance with condominium instruments and this Act.

(s) “Limited Common Elements” means a portion of the common elements so designated in the declaration as being reserved for the use of a certain unit or units to the exclusion of other units, including but not limited to balconies, terraces, patios and parking spaces or facilities.

(t) “Building” means all structures, attached or unattached, containing one or more units.

(u) “Master Association” means an organization described in Section 18.5 whether or not it is also an association described in Section 18.3.

(v) “Developer Control” means such control at a time prior to the election of the board of managers provided for in Section 18.2(b) of this Act.

(w) “Meeting of Board of Managers or Board of Master Association” means any gathering of a quorum of the members of the board of managers or board of the master association held for the purpose of conducting board business.

(x) “Leasehold Condominium” means a property submitted to the provisions of this Act which is subject to a lease, the expiration or termination of which would terminate the condominium and the lessor of which is (i) exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (ii) a limited liability company whose sole member is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or (iii) a Public Housing Authority created pursuant to the Housing Authorities Act that is located in a municipality having a population in excess of 1,000,000 inhabitants.

(y) “Electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient and that may be directly reproduced in paper form by the recipient through an automated process.

(z) “Acceptable technological means” includes, without limitation, electronic transmission over the Internet or other network, whether by direct connection, intranet, telecopier, electronic mail, and any generally available technology that, by rule of the association, is deemed to provide reasonable security, reliability, identification, and verifiability.

Sec. 2.1 Applicability. Unless otherwise expressly provided in another Section, the provisions of this Act are applicable to all condominiums in this State. Any provisions of a condominium instrument that contains provisions inconsistent with the provisions of this Act are void as against public policy and ineffective.

Sec. 3 Submission of property. Whenever the owner or owners in fee simple, or the sole lessee or all lessees of a lease described in item (x) of Section 2, of a parcel intend to submit such property to the provisions of this Act, they shall do so by recording a declaration, duly executed and acknowledged, expressly stating such intent and setting forth the particulars enumerated in Section 4. If the condominium is a leasehold condominium, then every lessor of the lease creating a leasehold interest as described in item (x) of Section 2 shall also execute the declaration and such lease shall be recorded prior to the recording of the declaration.

The execution of a declaration required under this Section by the lessor under a lease as described in item (x) of Section 2 does not make the lessor a developer for purposes of this Act.

Sec. 4 Declaration – Contents. The declaration shall set forth the following particulars:

(a) The legal description of the parcel.

(b) The legal description of each unit, which may consist of the identifying number or symbol of such unit as shown on the plat.

(c) The name of the condominium, which name shall include the word “Condominium” or be

followed by the words “a Condominium”.

(d) The name of the city and county or counties in which the condominium is located.

(e) The percentage of ownership interest in the common elements allocated to each unit. Such percentages shall be computed by taking as a basis the value of each unit in relation to the value of the property as a whole, and having once been determined and set forth as herein provided, such percentages shall remain constant unless otherwise provided in this Act or thereafter changed by agreement of all unit owners.

(f) If applicable, all matters required by this Act in connection with an add-on condominium.

(g) A description of both the common and limited common elements, if any, indicating the manner of their assignment to a unit or units.

(h) If applicable, all matters required by this Act in connection with a conversion condominium.

(h-5) If the condominium is a leasehold condominium, then:

(1) The date of recording and recording document number for the lease creating a leasehold interest as described in item (x) of Section 2;

(2) The date on which the lease is scheduled to expire;

(3) The legal description of the property subject to the lease;

(4) Any right of the unit owners to redeem the reversion and the manner whereby those rights may be exercised, or a statement that the unit owners do not have such rights;

(5) Any right of the unit owners to remove any improvements within a reasonable time after the expiration or termination of the lease, or a statement that the unit owners do not have such rights;

(6) Any rights of the unit owners to renew the lease and the conditions of any renewal, or a statement that the unit owners do not have such rights; and

(7) A requirement that any sale of the property pursuant to Section 15 of this Act, or any removal of the property pursuant to Section 16 of this Act, must be approved by the lessor under the lease.

(i) Such other lawful provisions not inconsistent with the provisions of this Act as the owner or owners may deem desirable in order to promote and preserve the cooperative aspect of ownership of the property and to facilitate the proper administration thereof.

Sec. 4.1 Construction, interpretation, and validity of Condominium Instruments.

(a) Except to the extent otherwise provided by the declaration or other condominium instruments:

(1) The terms defined in Section 2 of this Act shall be deemed to have the meaning specified therein unless the context otherwise requires.

(2) To the extent that perimeter and partition walls, floors or ceilings are designated as the boundaries of the units or of any specified units, all decorating, wall and floor coverings, paneling, molding, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof, shall be deemed a part of such units, while all other portions of such walls, floors or ceilings and all portions of perimeter doors and all portions of windows in perimeter walls shall be deemed part of the common elements.

(3) If any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially within and partially outside of the designated boundaries of a unit, any portions thereof serving only that unit shall be deemed a part of that unit, while any portions thereof serving more than one unit or any portion of the common elements shall be deemed a part of the common elements.

(4) Subject to the provisions of paragraph (3) of subsection (a), all space and other fixtures and improvements within the boundaries of a unit shall be deemed a part of that unit.

(5) Any shutters, awnings, window boxes, doorsteps, porches, balconies, patios, perimeter doors, windows in perimeter walls, and any other apparatus designed to serve a single unit shall be deemed a limited common element appertaining to that unit exclusively.

(6) All provisions of the declaration, bylaws and other condominium instruments are severable.

(b) Except to the extent otherwise provided by the declaration or by other condominium instruments recorded prior to the effective date of this amendatory Act of 1984, in the event of a conflict between the provisions of the declaration and the bylaws or other condominium instruments, the declaration prevails except to the extent the declaration is inconsistent with this Act.

(c) A provision in the initial declaration limiting ownership, rental or occupancy of a condominium unit to a person 55 years of age or older shall be valid and deemed not to be in violation of Article 3 of the Illinois Human Rights Act provided that the person or the immediate family of a person owning, renting or lawfully occupying such unit prior to the recording of the initial declaration shall not be deemed to be in violation of such age restriction so long as they continue to own or reside in such unit.

Sec. 5 Plat to be recorded. Simultaneously with the recording of the declaration there shall be recorded a plat as defined in Section 2, which plat shall be made by a Registered Illinois Land Surveyor and shall set forth (1) all angular and linear data along the exterior boundaries of the parcel; (2) the linear measurements and location, with reference to said exterior boundaries, of any buildings improvements and structures located on the parcel; and (3) the elevations at, above, or below official datum of the finished or unfinished interior surfaces of the floors and ceilings and the linear measurements of the finished or unfinished interior surfaces of the perimeter walls, and lateral extensions thereof or other monumental perimeter boundaries, where there are no wall surfaces, that part of every unit which is in any building on the parcel, and the locations of such wall surfaces or unit boundaries with respect to the exterior boundaries of the parcel projected vertically upward; (4) the elevations at, above, or below official datum and the linear measurements of the perimeter boundaries, of that part of the property which constitute a unit or a part thereof outside any building on the parcel and the location of the boundaries with respect to the exterior vertical boundaries of the parcel, projected vertically upward. Every such unit shall be identified on the plat by a distinguishing number or other symbol; (5) if the Registered Illinois Land Surveyor does not certify that such plat accurately depicts the matters set forth in subsection (3) and (4) above, such a certification for any particular unit or units as built shall be recorded prior to the first conveyance of such particular unit or units as part of an amended plat, thereby complying with the requirements of subsections (3) and (4) of this Section; (6) when adding additional property to an add-on condominium, the developer, or in the event of any other alteration in the boundaries or location of a unit, any building on the parcel or the parcel authorized in this Act, the president of the board of managers or other officer authorized and designated by the condominium instruments shall record an amended plat of survey conforming to the requirements of this Section, or shall provide a certificate of a plat previously recorded that is in accordance with the certification requirements of this subsection. Such amended plat or certificate shall be certified by a Registered Illinois Land Surveyor as to accuracy in depicting changes in boundary or location in the portions of the property set forth in subsections (1), (2), (3) and (4) above, and that such changes have been completed.

Sec. 6 Recording – Effect. Upon compliance with the provisions of Sections 3, 4, and 5 and upon recording of the declaration and plat the property shall become subject to the provisions of this Act, and all units shall thereupon be capable of ownership in fee simple or any lesser estate, and may thereafter be conveyed, leased, mortgaged or otherwise dealt with in the same manner as other real property, but subject, however, to the limitations imposed by this Act.

Each unit owner shall be entitled to the percentage of ownership in the common elements appertaining to such unit as computed and set forth in the declaration pursuant to subsection (e) of Section 4 hereof, and ownership of such unit and of the owner's corresponding percentage of ownership in the common elements shall not be separated, except as provided in this Act, nor, except by the recording of an amended declaration and amended plat approved in writing by all unit owners, shall any unit, by deed, plat, judgment of a court or otherwise, be subdivided or in any other manner separated into tracts or parcels different from the whole unit as shown on the plat, except as provided in this Act.

The condominium instruments may contain provisions in accordance with this Act providing for the reallocation and adjustment of the percentage of ownership in the common elements appertaining to a unit or units in circumstances relating to the following transactions: an add-on

condominium; condemnation; damage or destruction of all or a portion of the property; and the subdivision or combination of units. Interests in the common elements shall be re-allocated, and the transaction shall be deemed effective at the time of the recording of an amended plat depicting same pursuant to Section 5 of this Act. Simultaneously with the recording of the amended plat, the developer in the case of an add-on condominium, or the president of the board of managers or other officer in other instances authorized in this Act shall execute and record an amendment to the declaration setting forth all pertinent aspects of the transaction including the reallocation or adjustment of the common interest. The amendment shall contain legal descriptions sufficient to indicate the location of any property involved in the transaction.

Sec. 7 Descriptions in deeds, etc. Every deed, lease, mortgage or other instrument may legally describe a unit by its identifying number or symbol as shown on the plat and as set forth in the declaration, and every such description shall be deemed good and sufficient for all purposes, and shall be deemed to convey, transfer, encumber or otherwise affect the owner's corresponding percentage of ownership in the common elements even though the same is not expressly mentioned or described therein.

Sec. 8 Partition of common elements prohibited. As long as the property is subject to the provisions of this Act the common elements shall, except as provided in Section 14 hereof, remain undivided, and no unit owner shall bring any action for partition or division of the common elements. Any covenant or agreement to the contrary shall be void.

Sec. 9 Sharing of expenses – Lien for nonpayment.

(a) All common expenses incurred or accrued prior to the first conveyance of a unit shall be paid by the developer, and during this period no common expense assessment shall be payable to the association. It shall be the duty of each unit owner including the developer to pay his proportionate share of the common expenses commencing with the first conveyance. The proportionate share shall be in the same ratio as his percentage of ownership in the common elements set forth in the declaration.

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

(c) Budget and Reserves.

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

(2) All budgets adopted by a board of managers on or after July 1, 1990 shall provide for reasonable reserves for capital expenditures and deferred maintenance for repair or replacement of the common elements. To determine the amount of reserves appropriate for an association, the board of managers shall take into consideration the following: (i) the repair and replacement cost, and the estimated useful life, of the property which the association is obligated to maintain, including but not limited to structural and mechanical components, surfaces of the buildings and common elements, and energy systems and equipment; (ii) the current and anticipated return on investment of association funds; (iii) any independent professional reserve study which the association may obtain; (iv) the financial impact on unit owners, and the market value of the condominium units, of any assessment increase needed to fund reserves; and (v) the ability of the association to obtain financing or refinancing.

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

(4) In the event that an association elects to waive all or part of the reserve requirements of this Section, that fact must be disclosed after the meeting at which the waiver occurs by the association in the financial statements of the association and, highlighted in bold print, in the

response to any request of a prospective purchaser for the information prescribed under Section 22.1; and no member of the board of managers or the managing agent of the association shall be liable, and no cause of action may be brought for damages against these parties, for the lack or inadequacy of reserve funds in the association budget.

(5) At the end of an association's fiscal year and after the association has approved any end-of-year fiscal audit, if applicable, if the fiscal year ended with a surplus of funds over actual expenses, including budgeted reserve fund contributions, then, to the extent that there are not any contrary provisions in the association's declaration and bylaws, the board of managers has the authority, in its discretion, to dispose of the surplus in one or more of the following ways: (i) contribute the surplus to the association's reserve fund; (ii) return the surplus to the unit owners as a credit against the remaining monthly assessments for the current fiscal year; (iii) return the surplus to the unit owners in the form of a direct payment to the unit owners; or (iv) maintain the funds in the operating account, in which case the funds shall be applied as a credit when calculating the following year's annual budget. If the fiscal year ends in a deficit, then, to the extent that there are not any contrary provisions in the association's declaration and bylaws, the board of managers has the authority, in its discretion, to address the deficit by incorporating it into the following year's annual budget. If 20% of the unit owners of the association deliver a petition objecting to the action under this paragraph (5) within 30 days after notice to the unit owners of the action, the board of managers shall call a meeting of the unit owners within 30 days of the date of delivery of the petition. At the meeting, the unit owners may vote to select a different option than the option selected by the board of managers. Unless a majority of the total votes of the unit owners are cast at the meeting to reject the board's selection and select a different option, the board's decision is ratified.

(d) (Blank)

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

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

(g) Lien.

(1) If any unit owner shall fail or refuse to make any payment of the common expenses or the amount of any unpaid fine when due, the amount thereof together with any interest, late charges, reasonable attorney fees incurred enforcing the covenants of the condominium instruments, rules and regulations of the board of managers, or any applicable statute or ordinance, and costs of collections shall constitute a lien on the interest of the unit owner in the property prior to all other liens and encumbrances, recorded or unrecorded, except only (a) taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this State and other State or federal taxes which by law are a lien on the interest of the unit owner prior to preexisting recorded encumbrances thereon and (b) encumbrances on the interest of the unit owner recorded prior to the date of such failure or refusal which by law would be a lien thereon prior to subsequently recorded encumbrances. Any action brought to extinguish the lien of the association shall include the association as a party.

(2) With respect to encumbrances executed prior to August 30, 1984 or encumbrances executed subsequent to August 30, 1984 which are neither bonafide first mortgages nor trust deeds and which encumbrances contain a statement of a mailing address in the State of Illinois where notice may be mailed to the encumbrancer thereunder, if and whenever and as often as the manager or board of managers shall send, by United States certified or registered mail, return receipt requested, to any such encumbrancer at the mailing address set forth in the recorded encumbrance a statement of the amounts and due dates of the unpaid common expenses with respect to the encumbered unit, then, unless otherwise provided in the declaration or bylaws, the prior recorded encumbrance shall be subject to the lien of all unpaid common expenses with respect to the unit which become due and payable within a period of 90 days after the date of mailing of each such notice.

(3) The purchaser of a condominium unit at a judicial foreclosure sale, or a mortgagee who receives title to a unit by deed in lieu of foreclosure or judgment by common law strict

foreclosure or otherwise takes possession pursuant to court order under the Illinois Mortgage Foreclosure Law, shall have the duty to pay the unit's proportionate share of the common expenses for the unit assessed from and after the first day of the month after the date of the judicial foreclosure sale, delivery of the deed in lieu of foreclosure, entry of a judgment in common law strict foreclosure, or taking of possession pursuant to such court order. Such payment confirms the extinguishment of any lien created pursuant to paragraph (1) or (2) of this subsection (g) by virtue of the failure or refusal of a prior unit owner to make payment of common expenses, where the judicial foreclosure sale has been confirmed by order of the court, a deed in lieu thereof has been accepted by the lender, or a consent judgment has been entered by the court.

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

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

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

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

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

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

Sec. 9.1 (a) Other liens; attachment and satisfaction. Subsequent to the recording of the declaration, no liens of any nature shall be created or arise against any portion of the property except against an individual unit or units. No labor performed or materials furnished with the consent or at the request of a particular unit owner shall be the basis for the filing of a mechanics' lien claim against any other unit. If the performance of the labor or furnishing of the materials is expressly authorized by the board of managers, each unit owner shall be deemed to have expressly authorized it and consented thereto, and shall be liable for the payment of his unit's proportionate share of any due and payable indebtedness as set forth in this Section.

Each mortgage and other lien, including mechanics liens, securing a debt incurred in the development of the land submitted to the provisions of this Act for the sale of units shall be subject to the provisions of this Act, subsequent to the conveyance of a unit to the purchaser.

In the event any lien exists against 2 or more units and the indebtedness secured by such lien is due and payable, the unit owner of any such unit so affected may remove such unit and the undivided interest in the common elements appertaining thereto from such lien by payment of the proportional amount of such indebtedness attributable to such unit. In the event such lien exists against the units or against the property, the amount of such proportional payment shall be computed on the basis of the percentages set forth in the declaration. Upon payment as herein provided, it is the duty of the encumbrancer to execute and deliver to the unit owner a release of such unit and the undivided interest in the common elements appertaining thereto from such lien, except that such proportional payment and release shall not prevent the encumbrancer from proceeding to enforce his rights against any unit or interest with respect to which such lien has not been so paid or released.

The owner of a unit shall not be liable for any claims, damages, or judgments, including but not limited to State or local government fees or fines, entered as a result of any action or inaction of the board of managers of the association other than for mechanics' liens as set forth in this Section. Unit owners other than the developer, members of the board of managers other than the developer or developer representatives, and the association of unit owners shall not be liable for any claims, damages, or judgments, including but not limited to State or local government fees or fines, entered as result of any action or inaction of the developer other than for mechanics' liens as set forth in this Section. Each unit owner's liability for any judgment entered against the board of managers or the association, if any, shall be limited to his proportionate share of the indebtedness as set forth in this Section, whether collection is sought through assessment or otherwise. A unit owner shall be liable for any claim, damage or judgment entered as a result of the use or operation of his unit, or caused by his own conduct. Before conveying a unit, a developer shall record and furnish purchaser releases of all liens affecting that unit and its common element interest which the purchaser does not expressly agree to take subject to or assume, and the developer shall provide a surety bond or substitute collateral for or insurance against liens for which a release is not provided. After conveyance of such unit, no mechanics' lien shall be created against such unit or its common element interest by reason of any subsequent contract by the developer to improve or make additions to the property.

Each mortgagee or other lienholder of the unit of a common interest community or of a unit subject to the Condominium Property Act shall provide an address to the unit owners' association at the time the lien or mortgage is recorded at which address such unit owners' association shall send notice to such mortgagee or lienholder of any eminent domain proceeding to which the association thereafter becomes a party. If the mortgagee or lienholder has not provided an address for notice purposes to the association, then such notice shall be sent to all mortgagees or lienholders which are named insureds on the master policy of insurance which exists or may exist on the common interest community or unit subject to the Condominium Property Act.

(b) The board of managers shall have standing and capacity to act in a representative capacity in relation to matters involving the common elements or more than one unit, on behalf of the unit owners, as their interests may appear.

Sec. 9.2 Other remedies.

(a) In the event of any default by any unit owner, his tenant, invitee or guest in the performance of his obligations under this Act or under the declaration, bylaws, or the rules and regulations of the board of managers, the board of managers or its agents shall have such rights and remedies as provided in the Act or condominium instruments including the right to maintain an eviction action against such defaulting unit owner or his tenant for the benefit of all the other unit owners in the manner prescribed by Article IX of the Code of Civil Procedure.

(b) Any attorneys' fees incurred by the Association arising out of a default by any unit owner, his tenant, invitee or guest in the performance of any of the provisions of the condominium instruments, rules and regulations or any applicable statute or ordinance shall be added to, and deemed a part of, his respective share of the common expense.

(c) Other than attorney's fees, no fees pertaining to the collection of a unit owner's financial obligation to the Association, including fees charged by a manager or managing agent, shall be

added to and deemed a part of an owner's respective share of the common expenses unless: (i) the managing agent fees relate to the costs to collect common expenses for the Association; (ii) the fees are set forth in a contract between the managing agent and the Association; and (iii) the authority to add the management fees to an owner's respective share of the common expenses is specifically stated in the declaration or bylaws of the Association.

Sec. 9.3 Eminent domain proceedings; standing. The unit owners' association shall be named as defendant on behalf of all unit owners in any eminent domain proceeding to take or damage property which is a common element and which includes no portions of any units or limited common elements. The association shall act therein on behalf of all unit owners. Nothing contained herein shall bar a unit owner or mortgagee or lienholder from intervening in the eminent domain proceeding on his own behalf.

Sec. 9.4 Eminent domain proceeding; notice. After receipt of summons in an action to take or damage a common element, the unit owners' association shall provide to the plaintiff a list of the unit owners, mortgagees and lienholders, and the plaintiff shall provide notice by certified mail to the unit owners, mortgagees and lienholders.

The notice shall include the following:

(1) case name and number and jurisdiction in which the case is filed;

(2) date of filing;

(3) brief description of the nature of the case;

(4) description of the property being damaged or taken;

(5) statement that the unit owner may petition the court to intervene; and

(6) statement that the mortgagee or lienholder may petition the court to intervene.

An immaterial error in providing notice shall not invalidate the legal effect of the proceeding.

Sec. 9.5 Successor developers. Any assignment of a developer's interest in the property is not effective until the successor: (i) obtains the assignment in writing; and (ii) records the assignment.

Sec. 10 Separate taxation.

(a) Real property taxes, special assessments, and any other special taxes or charges of the State of Illinois or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed against and levied upon real property shall be assessed against and levied upon each unit and the owner's corresponding percentage of ownership in the common elements as a tract, and not upon the property as a whole. For purposes of property taxes, real property owned and used for residential purposes by a condominium association, including a master association, but subject to the exclusive right by easement, covenant, deed or other interest of the owners of one or more condominium properties and used exclusively by the unit owners for recreational or other residential purposes shall be assessed at $1.00 per year. The balance of the value of the property shall be assessed to the condominium unit owners. In counties containing 1,000,000 or more inhabitants, any person desiring to establish or to reestablish an assessment of $1.00 under this Section shall make application therefor and be subject to the provisions of Section 10-35 of the Property Tax Code.

(b) Each condominium unit shall be only subject to the tax rate for those taxing districts in which such unit is actually, physically located. The county clerk shall not apply a rate which is an average of two or more different districts to any condominium unit.

(c) Upon authorization by a two-thirds vote of the members of the board of managers or by the affirmative vote of not less than a majority of the unit owners at a meeting duly called for such purpose, or upon such greater vote as may be required by the declaration or bylaws, the board of managers acting on behalf of all unit owners shall have the power to seek relief from or in connection with the assessment or levy of any such taxes, special assessments or charges, and to charge and collect all expenses incurred in connection therewith as common expenses.

Sec. 11 Tax deeds. In the event any person shall acquire or be entitled to the issuance of a tax deed conveying the interest of any unit owner, the interest so acquired shall be subject to all the provisions of this Act and to the terms, provisions, covenants, conditions and limitations contained in the declaration, the plat, the bylaws or any deed affecting such interest then in force.

Sec. 12 Insurance.

(a) Required coverage. No policy of insurance shall be issued or delivered to a condominium association, and no policy of insurance issued to a condominium association shall be renewed, unless the insurance coverage under the policy includes the following:

(1) Property insurance. Property insurance (i) on the common elements and the units, including the limited common elements and except as otherwise determined by the board of managers, the bare walls, floors, and ceilings of the unit, (ii) providing coverage for special form causes of loss, and (iii) providing coverage, at the time the insurance is purchased and at each renewal date, in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, but including coverage sufficient to rebuild the insured property in compliance with building code requirements subsequent to an insured loss, including: Coverage B, demolition costs; and Coverage C, increased cost of construction coverage. The combined total of Coverage B and Coverage C shall be no less than 10% of each insured building value, or $500,000, whichever is less.

(2) General liability insurance. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the property in a minimum amount of $1,000,000, or a greater amount deemed sufficient in the judgment of the board, insuring the board, the association, the management agent, and their respective employees and agents and all persons acting as agents. The developer must be included as an additional insured in its capacity as a unit owner, manager, board member, or officer. The unit owners must be included as additional insured parties but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the common elements. The insurance must cover claims of one or more insured parties against other insured parties.

(3) Fidelity bond; directors and officers coverage.

(A) An association with 6 or more dwelling units must obtain and maintain a fidelity bond covering persons, including the managing agent and its employees who control or disburse funds of the association, for the maximum amount of coverage available to protect funds in the custody or control of the association, plus the association reserve fund.

(B) All management companies that are responsible for the funds held or administered by the association must be covered by a fidelity bond for the maximum amount of coverage available to protect those funds. The association has standing to make a loss claim against the bond of the managing agent as a party covered under the bond.

(C) For purposes of paragraphs (A) and (B), the fidelity bond must be in the full amount of association funds and reserves in the custody of the association or the management company.

(D) The board of directors must obtain directors and officers liability coverage at a level deemed reasonable by the board, if not otherwise established by the declaration or bylaws. Directors and officers liability coverage must extend to all contracts and other actions taken by the board in their official capacity as directors and officers, but this coverage shall exclude actions for which the directors are not entitled to indemnification under the General Not For Profit Corporation Act of 1986 or the declaration and bylaws of the association. The coverage required by this subparagraph (D) shall include, but not be limited to, coverage of: defense of non-monetary actions; defense of breach of contract; and defense of decisions related to the placement or adequacy of insurance. The coverage required by this subparagraph (D) shall include as an insured: past, present, and future board members while acting in their capacity as members of the board of directors; the managing agent; and employees of the board of directors and the managing agent.

(b) Contiguous units; improvements and betterments. The insurance maintained under subdivision (a)(1) must include the units, the limited common elements except as otherwise determined by the board of managers, and the common elements. The insurance need not cover improvements and betterments to the units installed by unit owners, but if improvements and betterments are covered, any increased cost may be assessed by the association against the units affected.

Common elements include fixtures located within the unfinished interior surfaces of the

perimeter walls, floors, and ceilings of the individual units initially installed by the developer. Common elements exclude floor, wall, and ceiling coverings. “Improvements and betterments” means all decorating, fixtures, and furnishings installed or added to and located within the boundaries of the unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, built-in cabinets installed by unit owners, or any other additions, alterations, or upgrades installed or purchased by any unit owner.

(c) Deductibles. The board of directors of the association may, in the case of a claim for damage to a unit or the common elements, (i) pay the deductible amount as a common expense, (ii) after notice and an opportunity for a hearing, assess the deductible amount against the owners who caused the damage or from whose units the damage or cause of loss originated, or (iii) require the unit owners of the units affected to pay the deductible amount.

(d) Other coverages. The declaration may require the association to carry any other insurance, including workers compensation, employment practices, environmental hazards, and equipment breakdown, the board of directors considers appropriate to protect the association, the unit owners, or officers, directors, or agents of the association.

(e) Insured parties; waiver of subrogation. Insurance policies carried pursuant to subsections (a) and (b) must include each of the following provisions:

(1) Each unit owner and secured party is an insured person under the policy with respect to liability arising out of the unit owner’s interest in the common elements or membership in the association.

(2) The insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of the unit owner’s household and against the association and members of the board of directors.

(3) The unit owner waives his or her right to subrogation under the association policy against the association and the board of directors.

(f) Primary insurance. If at the time of a loss under the policy there is other insurance in the name of a unit owner covering the same property covered by the policy, the association’s policy is primary insurance.

(g) Adjustment of losses; distribution of proceeds. Any loss covered by the property policy under subdivision (a)(1) must be adjusted by and with the association. The insurance proceeds for that loss must be payable to the association, or to an insurance trustee designated by the association for that purpose. The insurance trustee or the association must hold any insurance proceeds in trust for unit owners and secured parties as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged common elements, the bare walls, ceilings, and floors of the units, and then to any improvements and betterments the association may insure. Unit owners are not entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the common elements and units have been completely repaired or restored or the association has been terminated as trustee.

(h) Mandatory unit owner coverage. The board of directors may, under the declaration and bylaws or by rule, require condominium unit owners to obtain insurance covering their personal liability and compensatory (but not consequential) damages to another unit caused by the negligence of the owner or his or her guests, residents, or invitees, or regardless of any negligence originating from the unit. The personal liability of a unit owner or association member must include the deductible of the owner whose unit was damaged, any damage not covered by insurance required by this subsection, as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings.

(i) Certificates of insurance. Contractors and vendors (except public utilities) doing business with a condominium association under contracts exceeding $10,000 per year must provide certificates of insurance naming the association, its board of directors, and its managing agent as additional insured parties.

(j) Non-residential condominiums. The provisions of this Section may be varied or waived in the case of a condominium community in which all units are restricted to nonresidential use.

(k) Settlement of claims. Any insurer defending a liability claim against a condominium association must notify the association of the terms of the settlement no less than 10 days before settling the claim. The association may not veto the settlement unless otherwise provided by

contract or statute.

(l) The changes to this Section made by this amendatory Act of the 98th General Assembly apply only to insurance policies issued or renewed on or after June 1, 2015.

Sec. 12.1 Insurance risk pooling trusts.

(a) This Section shall be known and may be cited as the Condominium and Common Interest Community Risk Pooling Trust Act.

(b) The boards of managers or boards of directors, as the case may be, of two or more condominium associations or common interest community associations, are authorized to establish, with the unit owners and the condominium or common interest community associations as the beneficiaries thereof, a trust fund for the purpose of providing protection of the participating condominium and common interest community associations against the risk of financial loss due to damage to, destruction of or loss of property, or the imposition of legal liability as required or authorized under this Act or the declaration of the condominium or common interest community association.

(c) The trust fund shall be established and amended only by a written instrument which shall be filed with and approved by the Director of Insurance prior to its becoming effective.

(d) No association shall be a beneficiary of the trust fund unless it shall be incorporated under the laws of this State.

(e) The trust fund is authorized to indemnify the condominium and common interest community association beneficiaries thereof against the risk of loss due to damage, destruction or loss to property or imposition of legal liability as required or authorized under this Act or the declaration of the condominium or common interest community association.

(f) Risks assumed by the trust fund may be pooled and shared with other trust funds established under this Section.

(g) (Blank)

(h) (Blank)

(i) No trustee of the trust fund shall be paid a salary or receive other compensation, except that the written trust instrument may provide for reimbursement for actual expenses incurred on behalf of the trust fund.

(j) (Blank)

(k) (Blank)

(l) (Blank)

(m) Each trust fund shall file annually with the Director of Insurance a full independently audited financial statement.

(n) (Blank)

(o) (Blank)

(p) (Blank)

(q) (Blank)

(r) (Blank)

(s) The Director of Insurance shall have with respect to trust funds established under this Section the powers of examination conferred upon him relative to insurance companies by Section 132 of the Illinois Insurance Code.

(t) (Blank)

(u) (Blank)

(v) Trust funds established under and which fully comply with this Section shall not be considered member insurance companies or to be in the business of insurance nor shall the provision of Article XXXIV of the Illinois Insurance Code apply to any such trust fund established under this Section.

(w) (Blank)

(x) The Director of Insurance shall adopt reasonable rules pertaining to the standards of coverage and administration of trust funds authorized under this Section.

Sec. 13 Application of insurance proceeds to reconstruction. In case of fire or any other disaster the insurance proceeds, if sufficient to reconstruct the building, shall be applied to such reconstruction. Reconstruction of the building as used in this and succeeding Section 14 of this Act, means restoring the building to substantially the same condition in which it existed prior to the fire or other disaster, with each unit and the common elements having the same vertical and horizontal boundaries as before.

Sec. 14 Disposition of property where insurance proceeds are insufficient for reconstruction.

(1) In case of fire or other disaster, if the insurance proceeds are insufficient to reconstruct the building and the unit owners and all other parties in interest do not voluntarily make provision for reconstruction of the building within 180 days from the date of damage or destruction, the board of managers may record a notice setting forth such facts and upon the recording of such notice:

(a) The property shall be deemed to be owned in common by the unit owners;

(b) The undivided interest in the property owned in common which shall appertain to each unit owner shall be the percentage of undivided interest previously owned by such owner in the common elements;

(c) Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the unit owner in the property as provided herein; and

(d) The property shall be subject to an action for partition at the suit of any unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the unit owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective shares of the unit owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each unit owner.

(2) In the case of fire or other disaster in which fewer than ½ of the units are rendered uninhabitable: the condominium instruments may provide for the reconstruction of the building or other portion of the property, if the insurance proceeds are insufficient to reconstruct, upon the affirmative vote of not fewer than ¾ of the owners voting at a meeting called for that purpose. The meeting shall be held within 30 days following the final adjustment of insurance claims, if any. Otherwise, such meeting shall be held within 90 days of the occurrence. At such meeting the board of managers, or its representative, shall present to the members present an estimate of the cost of repair or reconstruction, and the estimated amount of necessary assessments against each unit owner.

(3) In the case of fire or other disaster, the condominium instruments may provide for the withdrawal of any portion of the property if the insurance proceeds are insufficient to reconstruct the portion of the property affected. Upon the withdrawal of any unit or portion thereof, the percentage of interest in the common elements appurtenant to such unit or portion thereof shall be reallocated among the remaining units on the basis of the percentage of interest of each remaining unit. If only a portion of a unit is withdrawn, the percentage of interest appurtenant to that unit shall be reduced accordingly, upon the basis of diminution in market value of the unit, as determined by the board of managers. The payment of just compensation, or the allocation of any insurance, or other proceeds to any withdrawing or remaining unit owner shall be on an equitable basis, which need not be a unit's percentage interest. Any insurance or other proceeds available in connection with the withdrawal of any portion of the common elements, not necessarily including the limited common elements, shall be allocated on the basis of each unit owner's percentage interest therein. The declaration may provide that proceeds available from the withdrawal of any limited common element will be distributed in accordance with the interests of those entitled to their use. The condominium instruments shall provide for the cessation of responsibility for the payment of assessments for any unit or portion thereof withdrawn from the condominium.

Sec. 14.1 Disposition or removal of any portion of the property.

(a) The condominium instruments may provide for the withdrawal of any portion of the property in connection with eminent domain proceedings in compliance with the provisions of this Act. Upon the withdrawal of any unit or portion thereof, the percentage of interest in the common elements appurtenant to such unit or portion thereof shall be reallocated among the remaining units on the basis of the percentage of interest of each remaining unit. If only a portion of a unit is withdrawn, the percentage of interest appurtenant to that unit shall be reduced accordingly, upon the basis of diminution in market value of the unit, as determined by the board of managers. The allocation of any condemnation award or other proceeds to any withdrawing or remaining unit owner shall be on an equitable basis, which need not be a unit's percentage interest. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the common elements, not necessarily including the limited common elements, shall be allocated on the basis of each unit owner's percentage interest therein. The declaration may provide that proceeds available from the withdrawal of any limited common element will be distributed in accordance with the interests of those entitled to their use. The condominium instruments shall provide for the cessation of responsibility for the payment of assessments for any unit or portion thereof withdrawn from the condominium. In the event that the unit owners' association is named as defendant in an eminent domain proceeding on behalf of all unit owners, then the payment of the proceeds of the eminent domain proceeding attributable to the taking or damaging of the common element shall be according to this Section unless the condominium instrument or declaration of a common interest community expressly provides for different procedures. This Section shall also apply to eminent domain proceedings in which the unit owners' association of a common interest community is named as a defendant on behalf of all unit owners.

(b) Notwithstanding anything to the contrary contained in this Section, in a leasehold condominium, any allocation of any condemnation award or other proceeds available in connection with the withdrawal of any portion of the property shall include an equitable allocation to the lessor. The allocation shall take into account any provisions of the lease described in item (x) of Section 2 of this Act concerning such allocations.

Sec. 14.2 Street and utilities dedication. Unless the condominium instrument expressly provides for a greater percentage or different procedures a two-thirds majority of the unit owners at a meeting of unit owners duly called for such purpose may elect to dedicate a portion of the common elements to a public body for use as, or in connection with, a street or utility. Where such a dedication is made, nothing in this Act or any other law shall be construed to require that the real property taxes of every unit of the condominium must be paid prior to recordation of the dedication.

Sec. 14.3 Granting of easement for laying of cable television or high speed Internet cable. Unless the condominium instrument expressly provides for a greater percentage or different procedures a majority of more than 50% of the unit owners at a meeting of unit owners duly called for such purpose may authorize the granting of an easement for the laying of cable television or high speed Internet cable. The grant of such easement shall be according to the terms and conditions of the local ordinance providing for cable television or high speed Internet in the municipality.

Sec. 14.4 Granting of easement to a governmental body for protection against water damage or erosion. Unless the condominium instrument expressly provides for a greater percentage or different procedures, a majority of more than 50% of the unit owners at a meeting of unit owners duly called for such purpose may authorize the granting of an easement to a governmental body for construction, maintenance or repair of a project for protection against water damage or erosion.

Sec. 14.5 Distressed condominium property.

(a) As used in this Section:

(1) "Distressed condominium property" means a parcel containing condominium units which are operated in a manner or have conditions which may constitute a danger, blight, or nuisance to the surrounding community or to the general public, including but not limited to 2 or more of the following conditions:

(A) 50% or more of the condominium units are not occupied by persons with a legal

right to reside in the units;

(B) the building has serious violations of any applicable local building code or zoning ordinance;

(C) 60% or more of the condominium units are in foreclosure or are units against which a judgment of foreclosure was entered within the last 18 months;

(D) there has been a recording of more condominium units on the parcel than physically exist;

(E) any of the essential utilities to the parcel or to 40% or more of the condominium units is either terminated or threatened with termination; or

(F) there is a delinquency on the property taxes for at least 60% of the condominium units.

(2) "Owner" means any unit owner or owner of record of the condominium property.

(3) "Other party in interest" means any mortgagee of record, lien holder of record, judgment creditor, tax purchaser, or other party of record, other than the owner, having legal or equitable title or other interest in the distressed condominium property or in a unit of the property.

(4) "Municipality" means a city, village, or incorporated town in which the distressed condominium property is located.

(b) A proceeding under this Section shall be commenced by a municipality filing a verified petition or verified complaint in the circuit court in the county in which the property is located. The petition or complaint shall allege conditions specified in paragraph (1) of subsection (a) of this Section and shall request the relief available under this Section. All owners shall be named as defendants in the petition or complaint and summons shall be issued and service shall be had as in other civil cases. All known other parties in interest shall be provided written notice and a copy of the petition or complaint either by United States certified mail, return receipt requested, within 30 days of the issuance of the summons or by personal service of the complaint. The hearing upon the suit shall be expedited by the court and shall be given precedence over other actions.

(c) If a court finds that the property is a distressed condominium property:

(1) the court may order the appointment of a receiver for the property with the powers specified in this Section; or

(2) the court, after a hearing held upon giving notice to all interested parties as provided in subsection (b), may appoint a receiver for the property and if the court further finds that the property is not viable as a condominium, then the court may declare:

(A) that the property is no longer a condominium;

(B) that the property shall be deemed to be owned in common by the unit owners;

(C) that the undivided interest in the property which shall appertain to each unit owner shall be the percentage of undivided interest previously owned by the owner in the common elements; and

(D) that any liens affecting any unit shall be deemed to be attached to the undivided interest of the unit owner in the property as provided herein.

A copy of the court's declaration under paragraph (2) of this subsection (c) shall be recorded by the municipality in the office of the recorder of deeds in the county where the property is located against both the individual units and owners and the general property. The court's declaration shall be forwarded to the county assessor's office in the county where the property is located.

(d) If a court finds that property is subject to paragraph (2) of subsection (c) of this Section, the court may upon a motion filed, notice given to all owners and other parties in interest as provided in subsection (b) and those parties having an opportunity to be heard, authorize the receiver to enter into a sales contract and transfer the title of the property on behalf of the owners of the property. In the event of such a sale, the net proceeds of the sale, after payment of all the receiver's costs, time, expenses, and fees as approved by the court, shall be deposited into an escrow account. Proceeds in the escrow account shall be segregated into the respective shares

of each unit owner as determined under subparagraph (C) of paragraph (2) of subsection (c) of this Section and shall be distributed from each respective share as follows: (1) to pay taxes attributable to the unit owner; then (2) to pay other liens attributable to the unit owner; and then (3) to pay each unit owner any remaining sums from his or her respective share.

(e) A receiver appointed under this Section shall have possession of the property and shall have full power and authority to operate, manage, and conserve the property. A receiver appointed pursuant to this Section must manage the property as would a prudent person. A receiver may, without an order of the court, delegate managerial functions to a person in the business of managing real estate of the kind involved who is financially responsible and prudently selected.

Without limiting the foregoing, a receiver during such time shall have the power and authority to:

(1) secure, clean, board and enclose, and keep secure, clean, boarded and enclosed, the property or any portion of the property;

(2) secure tenants and execute leases for the property, the duration and terms of which are reasonable and customary for the type of use involved, and the leases shall have the same priority as if made by the owner of the property;

(3) collect the rents, issues, and profits, including assessments which have been or may be levied;

(4) insure the property against loss by fire or other casualty;

(5) employ counsel, custodians, janitors, and other help;

(6) pay taxes which may have been or may be levied against the property;

(7) maintain or disconnect, as appropriate, any essential utility to the property;

(8) make repairs and improvements necessary to comply with building, housing, and other similar codes;

(9) hold receipts as reserves as reasonably required for the foregoing purposes; and

(10) exercise the other powers as are granted to the receiver by the appointing court.

(f) If the court orders the appointment of a receiver, the receiver may use the rents and issues of the property toward maintenance, repair, and rehabilitation of the property prior to and despite any assignment of rents; and the court may further authorize the receiver to recover the cost of any feasibility study, sale, management, maintenance, repair, and rehabilitation by the issuance and sale of notes or receiver's certificates bearing such interest as the court may fix, and the notes or certificates, after their initial issuance and transfer by the receiver, shall be freely transferable and when sold or transferred by the receiver in return for a valuable consideration in money, material, labor, or services shall be a first lien upon the real estate and the rents and issues thereof and shall be superior to all prior assignments of rents and prior existing liens and encumbrances, except taxes; provided, that within 90 days of the sale or transfer for value by the receiver of a note or certificate, the holder thereof shall file notice of the lien in the office of the recorder in the county in which the real estate is located. The notice of the lien filed shall set forth (i) a description of the real estate affected sufficient for the identification thereof, (ii) the face amount of the receiver's note or certificate, together with the interest payable thereon, and (iii) the date when the receiver's note or certificate was sold or transferred for value by the receiver. Upon payment to the holder of the receiver's note or certificate of the face amount thereof together with any interest thereon to the date of payment, and upon the filing of record of a sworn statement of such payment, the lien of such certificate shall be released. The lien may be enforced by proceedings to foreclose as in the case of a mortgage or mechanics lien, and the action to foreclose the lien may be commenced at any time after the date of default. For the purposes of this subsection, the date of default shall be deemed to occur 30 days from the date of issuance of the receiver's certificate if at that time the certificate remains unpaid in whole or in part. The receiver's lien shall be paid upon the sale of the property as set forth in subsection (d) of this Section.

(g) The court may remove a receiver upon a showing of good cause, in which case a new receiver may be appointed in accordance with this Section.

Sec. 15 Sale of property.

(a) Unless a greater percentage is provided for in the declaration or bylaws, and notwithstanding the provisions of Sections 13 and 14 hereof, a majority of the unit owners where the property contains 2 units, or not less than 66 2/3% where the property contains three units, and not less than 75% where the property contains 4 or more units may, by affirmative vote at a meeting of unit owners duly called for such purpose, elect to sell the property. Such action shall be binding upon all unit owners, and it shall thereupon become the duty of every unit owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect such sale, provided, however, that any unit owner who did not vote in favor of such action and who has filed written objection thereto with the manager or board of managers within 20 days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the greater of: (i) the value of his or her interest, as determined by a fair appraisal, less the amount of any unpaid assessments or charges due and owing from such unit owner or (ii) the outstanding balance of any bona fide debt secured by the objecting unit owner's interest which was incurred by such unit owner in connection with the acquisition or refinance of the unit owner's interest, less the amount of any unpaid assessments or charges due and owing from such unit owner. The objecting unit owner is also entitled to receive from the proceeds of a sale under this Section reimbursement for reasonable relocation costs, determined in the same manner as under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended from time to time, and as implemented by regulations promulgated under that Act.

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

Sec. 16 Removal from provisions of this Act. All of the unit owners may remove the property from the provisions of this Act by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the undivided interest of the unit owner. Upon such removal the property shall be deemed to be owned in common by all the owners. The undivided interest in the property owned in common which shall appertain to each owner shall be the percentage of undivided interest previously owned by such owner in the common elements.

Sec. 17 Amendments to the declaration or bylaws.

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

(b) Unless otherwise provided by this Act, amendments to condominium instruments authorized to be recorded shall be executed and recorded by the president of the association or such other officer authorized by the board of managers.

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

(a) (1) The election from among the unit owners of a board of managers, the number of persons constituting such board, and that the terms of at least one-third of the members of the board shall expire annually and that all members of the board shall be elected at large; if there are multiple owners of a single unit, only one of the multiple owners shall be eligible to serve as a member of the board at any one time. A declaration first submitting property to the provisions of this Act, in accordance with Section 3 after the effective date of this amendatory Act of the 102nd General Assembly [January 1, 2022], or an amendment to the condominium instruments

adopted in accordance with Section 27 after the effective date of this amendatory Act of the 102nd General Assembly, may provide that a majority of the board of managers, or such lesser number as may be specified in the declaration, must be comprised of unit owners occupying their unit as their primary residence; provided that the condominium instruments may not require that more than a majority of the board shall be comprised of unit owners who occupy their unit as their principal residence;

(2) the powers and duties of the board;

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

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

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

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

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

(8) (i) that each unit owner shall receive notice, in the same manner as is provided in this Act for membership meetings, of any meeting of the board of managers concerning the adoption of the proposed annual budget and regular assessments pursuant thereto or to adopt a separate (special) assessment, (ii) that except as provided in subsection (iv) below, if an adopted budget or any separate assessment adopted by the board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year, the board of managers, upon written petition by unit owners with 20 percent of the votes of the association delivered to the board within 21 days of the board action, shall call a meeting of the unit owners within 30 days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the unit owners are cast at the meeting to reject the budget or separate assessment, it is ratified, (iii) that any common expense not set forth in the budget or any increase in assessments over the amount adopted in the budget shall be separately assessed against all unit owners, (iv) that separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the board of managers without being subject to unit owner approval or the provisions of item (ii) above or item (v) below. As used herein, "emergency" means an immediate danger to the structural integrity of the common elements or to the life, health, safety or property of the unit owners, (v) that assessments for additions and alterations to the common elements or to association-owned property not included in the adopted annual budget, shall be separately assessed and are subject to approval of two-thirds of the total votes of all unit owners, (vi) that the board of managers may adopt separate assessments payable over more than one fiscal year. With respect to multi-year assessments not governed by items (iv) and (v), the entire amount of the multi-year assessment shall be deemed considered and authorized in the first fiscal year in which the assessment is approved;

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

owner;

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

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

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

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

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

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

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

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

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

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

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

(17) that the board of managers may disseminate to unit owners biographical and background information about candidates for election to the board if (i) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated; and (ii) the

board does not express a preference in favor of any candidate;

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

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

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

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

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

(b) (1) What percentage of the unit owners, if other than 20%, shall constitute a quorum provided that, for condominiums with 20 or more units, the percentage of unit owners constituting a quorum shall be 20% unless the unit owners holding a majority of the percentage interest in the association provide for a higher percentage, provided that in voting on amendments to the association's bylaws, a unit owner who is in arrears on the unit owner's regular or separate assessments for 60 days or more, shall not be counted for purposes of determining if a quorum is present, but that unit owner retains the right to vote on amendments to the association's bylaws;

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

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

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

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

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

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

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

(9) (A) except as provided in subparagraph (B) of this paragraph (9) in connection with board elections, that a unit owner may vote by proxy executed in writing by the unit owner or by his duly authorized attorney in fact; that the proxy must bear the date of execution and, unless the condominium instruments or the written proxy itself provide otherwise, is invalid after 11 months from the date of its execution; to the extent the condominium instruments or

rules adopted thereunder expressly so provide, a vote or proxy may be submitted by electronic transmission, provided that any such electronic transmission shall either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the unit owner or the unit owner's proxy;

(B) that if a rule adopted at least 120 days before a board election or the declaration or bylaws provide for balloting as set forth in this subsection, unit owners may not vote by proxy in board elections, but may vote only (i) by submitting an association-issued ballot in person at the election meeting or (ii) by submitting an association-issued ballot to the association or its designated agent by mail or other means of delivery specified in the declaration, bylaws, or rule; that the ballots shall be mailed or otherwise distributed to unit owners not less than 10 and not more than 30 days before the election meeting, and the board shall give unit owners not less than 21 days' prior written notice of the deadline for inclusion of a candidate's name on the ballots; that the deadline shall be no more than 7 days before the ballots are mailed or otherwise distributed to unit owners; that every such ballot must include the names of all candidates who have given the board or its authorized agent timely written notice of their candidacy and must give the person casting the ballot the opportunity to cast votes for candidates whose names do not appear on the ballot; that a ballot received by the association or its designated agent after the close of voting shall not be counted; that a unit owner who submits a ballot by mail or other means of delivery specified in the declaration, bylaws, or rule may request and cast a ballot in person at the election meeting, and thereby void any ballot previously submitted by that unit owner;

(B-5) that if a rule adopted at least 120 days before a board election or the declaration or bylaws provide for balloting as set forth in this subparagraph, unit owners may not vote by proxy in board elections, but may vote only (i) by submitting an association-issued ballot in person at the election meeting; or (ii) by any acceptable technological means as defined in Section 2 of this Act; instructions regarding the use of electronic means for voting shall be distributed to all unit owners not less than 10 and not more than 30 days before the election meeting, and the board shall give unit owners not less than 21 days' prior written notice of the deadline for inclusion of a candidate's name on the ballots; the deadline shall be no more than 7 days before the instructions for voting using electronic or acceptable technological means is distributed to unit owners; every instruction notice must include the names of all candidates who have given the board or its authorized agent timely written notice of their candidacy and must give the person voting through electronic or acceptable technological means the opportunity to cast votes for candidates whose names do not appear on the ballot; a unit owner who submits a vote using electronic or acceptable technological means may request and cast a ballot in person at the election meeting, thereby voiding any vote previously submitted by that unit owner;

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

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

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

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

members of the board of managers and to be elected to and serve on the board of managers unless the seller expressly retains in writing any or all of such rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office or be elected and serve on the board. Satisfactory evidence of the installment sales contract shall be made available to the association or its agents. For purposes of this subsection, "installment sales contract" shall have the same meaning as set forth in Section 5 of the Installment Sales Contract Act and Section 1(e) of the Dwelling Unit Installment Contract Act;

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

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

(i) merger or consolidation of the association;

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

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

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

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

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

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

(g) An association with 30 or more units shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the association for the maximum amount of coverage available to protect funds in the custody or control of the association plus the association reserve fund. All management companies which are responsible for the funds held or administered by the association shall maintain and furnish to the association a fidelity bond for the maximum amount of coverage available to protect funds in the custody of the management company at any time. The association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the association and a management company. The association shall be the direct obligee of any such fidelity bond. A management company holding reserve funds of an association shall at all times maintain a separate account for each association, provided, however, that for investment purposes, the board of managers of an association may authorize a management company to maintain the association's reserve funds in a single interest bearing account with similar funds of other associations. The management company shall at all times maintain records identifying all moneys of each association in such investment account. The management company may hold all operating funds of associations which it manages in a single operating account but shall at all times maintain records identifying all moneys of each association in such operating account. Such operating and reserve funds held by the management company for the association shall not be subject to attachment by any creditor of the management company.

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

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

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

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

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

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

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

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

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

(ii) With regard to any lease entered into subsequent to July 1, 1990 (the effective date of Public Act 86-991), the unit owner leasing the unit shall deliver a copy of the signed lease to the board or if the lease is oral, a memorandum of the lease, not later than the date of occupancy or 10 days after the lease is signed, whichever occurs first. In addition to any other remedies, by filing an action jointly against the tenant and the unit owner, an association may seek to enjoin a tenant from occupying a unit or seek to evict a tenant under the provisions of Article IX of the Code of Civil Procedure for failure of the lessor-owner to comply with the leasing requirements prescribed by this Section or by the declaration, bylaws, and rules and regulations. The board of managers may proceed directly against a tenant, at law or in equity, or under the provisions of Article IX of the Code of Civil Procedure, for any other breach by tenant of any covenants, rules, regulations or bylaws.

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

(p) That when 30% or fewer of the units, by number, possess over 50% in the aggregate of the votes in the association, any percentage vote of members specified herein or in the condominium instruments shall require the specified percentage by number of units rather than by percentage of interest in the common elements allocated to units that would otherwise be applicable and garage units or storage units, or both, shall have, in total, no more votes than their aggregate percentage of ownership in the common elements; this shall mean that if garage units or storage units, or both, are to be given a vote, or portion of a vote, that the association must add the total number of votes cast of garage units, storage units, or both, and divide the total by the number of garage units, storage units, or both, and multiply by the aggregate percentage of ownership of garage units and storage units to determine the vote, or portion of the vote, that garage units or storage units, or both, have. For purposes of this subsection (p), when making a determination of whether 30% or fewer of the units, by number, possess over 50% in the aggregate of the votes in the association, a unit shall not include a garage unit or a storage unit.

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

The provisions of this Section are applicable to all condominium instruments recorded under

this Act. Any portion of a condominium instrument which contains provisions contrary to these provisions shall be void as against public policy and ineffective. Any such instrument which fails to contain the provisions required by this Section shall be deemed to incorporate such provisions by operation of law.

Sec. 18.1 Incorporation as not-for-profit corporation.

(a) The owner or owners of the property, or the board of managers, may cause to be incorporated a not-for-profit corporation under the General Not For Profit Corporation Act of the State of Illinois for the purpose of facilitating the administration and operation of the property.

(b) The Secretary of State shall include on the application of the Articles of Incorporation under the General Not For Profit Corporation Act and the annual report form and such other forms as he deems necessary a question asking whether the corporation is a condominium association under the provisions of this Act.

(c) The Secretary of State shall maintain a computer record of all not for profit corporations which are condominium associations in this State and their current officers and members of the board of managers or Board of Directors, as shown on the latest annual report or the articles of incorporation, whichever is more current.

(d) The board of directors of such corporation shall constitute the board of managers provided for in this Act, and all of the rights, titles, powers, privileges and obligations vested in or imposed upon the board of managers in this Act and in the declaration may be held or performed by such corporation or by the duly elected members of the board of directors thereof and their successors in office.

(e) Nothing in this Section shall be construed to affect the ownership of the property.

Sec. 18.2 Administration of property prior to election of initial board of managers.

(a) Until election of the initial board of managers that is comprised of a majority of unit owners other than the developer (first unit owner board of managers), the same rights, titles, powers, privileges, trusts, duties and obligations vested in or imposed upon the board of managers by this Act and in the declaration and bylaws shall be held and performed by the developer.

(b) (i) The election of the first unit owner board of managers shall be held not later than 60 days after the conveyance by the developer of 75% of the units, or 3 years after the recording of the declaration, whichever is earlier. The developer shall give at least 21 days notice of such meeting to elect the first unit owner board of managers and shall provide to any unit owner within 3 working days of the request, the names, addresses, and weighted vote of each unit owner entitled to vote at such meeting. Any unit owner shall be provided with the same information within 10 days of receipt of the request, with respect to each subsequent meeting to elect members of the board of managers.

(ii) In the event the developer does not call a meeting for the purpose of election of the board of managers within the time provided in this subsection (b), unit owners holding 20% of the interest in the association may call a meeting by filing a petition for such meeting with the developer, after which said unit owners shall have authority to send notice of said meeting to the unit owners and to hold such meeting.

(c) If the first unit owner board of managers is not elected at the time so established, the developer shall continue in office for a period of 30 days whereupon written notice of his resignation shall be sent to all of the unit owners entitled to vote at such election.

(d) Within 60 days following the election of the first unit owner board of managers, the developer shall deliver to the board of managers:

(1) All original documents as recorded or filed pertaining to the property, its administration, and the association, such as the declaration, bylaws, articles of incorporation, other condominium instruments, annual reports, minutes and rules and regulations, contracts, leases, or other agreements entered into by the Association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the developer, or an officer or agent of the developer, as being a complete copy of the actual document recorded as filed.

(2) A detailed accounting by the developer, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance and operation of the property and copies of all insurance policies and a list of any loans or advances to the

association which are outstanding.

(3) Association funds, which shall have been at all times segregated from any other moneys of the developer.

(4) A schedule of all real or personal property, equipment and fixtures belonging to the association, including documents transferring the property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies, and all tax bills.

(5) A list of all litigation, administrative action and arbitrations involving the association, any notices of governmental bodies involving actions taken or which may be taken concerning the association, engineering and architectural drawings and specifications as approved by any governmental authority, all other documents filed with any other governmental authority, all governmental certificates, correspondence involving enforcement of any association requirements, copies of any documents relating to disputes involving unit owners, originals of all documents relating to everything listed in this subparagraph.

(e) Upon election of the first unit owner board of managers, any contract, lease, or other agreement made prior to the date of election of the first unit owner board by or on behalf of unit owners, individually or collectively, the unit owners' association, the board of managers, or the developer or its affiliates which extends for a period of more than 2 years from the date of the election, shall be subject to cancellation by a majority of the votes of the unit owners other than the developer cast at a special meeting of members called for that purpose during the 180 day period beginning on the date of the election of the first unit owner board. At least 60 days prior to the expiration of the 180 day cancellation period, the board of managers shall send notice to every unit owner, notifying them of this provision, what contracts, leases and other agreements are affected, and the procedure for calling a meeting of the unit owners for the purpose of voting on termination of such contracts, leases or other agreements. During the 180 day cancellation period the other party to the contract, lease, or other agreement shall also have the right of cancellation. The cancellation shall be effective 30 days after mailing notice by certified mail, return receipt requested, to the last known address of the other parties to the contract, lease, or other agreement.

(f) The statute of limitations for any actions in law or equity which the condominium association may bring shall not begin to run until the unit owners have elected a majority of the members of the board of managers.

(g) If the developer fails to fully comply with subsection (d) within the 60 days provided and fails to fully comply within 10 days of written demand mailed by registered or certified mail to his or her last known address, the board may bring an action to compel compliance with subsection (d). If the court finds that any of the required deliveries were not made within the required period, the board shall be entitled to recover its reasonable attorneys' fees and costs incurred from and after the date of expiration of the 10 day demand.

Sec. 18.3 Unit Owners' Association. The unit owners' association is responsible for the overall administration of the property through its duly elected board of managers. Each unit owner shall be a member of the association. The association, whether or not it is incorporated, shall have those powers and responsibilities specified in the General Not For Profit Corporation Act of 1986 that are not inconsistent with this Act or the condominium instruments, including but not limited to the power to acquire and hold title to land. Such land is not part of the common elements unless and until it has been added by an amendment of the condominium instruments, properly executed and placed of record as required by this Act. The association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in this Act or in the condominium instruments.

Sec. 18.4 Powers and Duties of Board of Managers. The board of managers shall exercise for the association all powers, duties and authority vested in the association by law or the condominium instruments except for such powers, duties and authority reserved by law to the members of the association. The powers and duties of the board of managers shall include, but shall not be limited to, the following:

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

provided, that such limits shall not be applicable to expenditures for repair, replacement, or restoration of existing portions of the common elements. The terms “repair, replacement or restoration” means expenditures to deteriorated or damaged portions of the property related to the existing decorating, facilities, or structural or mechanical components, interior or exterior surfaces, or energy systems and equipment with the functional equivalent of the original portions of such areas. Replacement of the common elements may result in an improvement over the original quality of such elements or facilities; provided that, unless the improvement is mandated by law or is an emergency as defined in item (iv) of subparagraph (8) of paragraph (a) of Section 18, if the improvement results in a proposed expenditure exceeding 5% of the annual budget, the board of managers, upon written petition by unit owners with 20% of the votes of the association delivered to the board within 21 days of the board action to approve the expenditure, shall call a meeting of the unit owners within 30 days of the date of delivery of the petition to consider the expenditure. Unless a majority of the total votes of the unit owners are cast at the meeting to reject the expenditure, it is ratified.

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

(c) To levy and expend assessments.

(d) To collect assessments from unit owners.

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

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

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

(h) To adopt and amend rules and regulations covering the details of the operation and use of the property, after a meeting of the unit owners called for the specific purpose of discussing the proposed rules and regulations. Notice of the meeting shall contain the full text of the proposed rules and regulations, and the meeting shall conform to the requirements of Section 18(b) of this Act, except that no quorum is required at the meeting of the unit owners unless the declaration, bylaws or other condominium instrument expressly provides to the contrary. However, no rule or regulation may impair any rights guaranteed by the First Amendment to the Constitution of the United States or Section 4 of Article I of the Illinois Constitution including, but not limited to, the free exercise of religion, nor may any rules or regulations conflict with the provisions of this Act or the condominium instruments. No rule or regulation shall prohibit any reasonable accommodation for religious practices, including the attachment of religiously mandated objects to the front-door area of a condominium unit.

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

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

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

(l) To impose charges for late payment of a unit owner’s proportionate share of the common expenses, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, to levy reasonable fines for violation of the declaration, bylaws, and rules and regulations of the association.

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

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

(o) To record the granting of an easement for the laying of cable television or high speed

Internet cable where authorized by the unit owners under the provisions of Section 14.3; to obtain, if available and determined by the board to be in the best interests of the association, cable television or bulk high speed Internet service for all of the units of the condominium on a bulk identical service and equal cost per unit basis; and to assess and recover the expense as a common expense and, if so determined by the board, to assess each and every unit on the same equal cost per unit basis.

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

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

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

(s) To adopt and amend rules and regulations (1) authorizing electronic delivery of notices and other communications required or contemplated by this Act to each unit owner who provides the association with written authorization for electronic delivery and an electronic address to which such communications are to be electronically transmitted; and (2) authorizing each unit owner to designate an electronic address or a U.S. Postal Service address, or both, as the unit owner's address on any list of members or unit owners which an association is required to provide upon request pursuant to any provision of this Act or any condominium instrument.

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

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

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

Sec. 18.5 Master Associations.

(a) If the declaration, other condominium instrument, or other duly recorded covenants provide that any of the powers of the unit owners associations are to be exercised by or may be delegated to a nonprofit corporation or unincorporated association that exercises those or other powers on behalf of one or more condominiums, or for the benefit of the unit owners of one or more condominiums, such corporation or association shall be a master association.

(b) There shall be included in the declaration, other condominium instruments, or other duly recorded covenants establishing the powers and duties of the master association the provisions set forth in subsections (c) through (h).

In interpreting subsections (c) through (h), the courts should interpret these provisions so that they are interpreted consistently with the similar parallel provisions found in other parts of this Act.

(c) Meetings and finances.

(1) Each unit owner of a condominium subject to the authority of the board of the master association shall receive, at least 30 days prior to the adoption thereof by the board of the

master association, a copy of the proposed annual budget.

(2) The board of the master association shall annually supply to all unit owners of condominiums subject to the authority of the board of the master association an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves.

(3) Each unit owner of a condominium subject to the authority of the board of the master association shall receive written notice mailed or delivered no less than 10 and no more than 30 days prior to any meeting of the board of the master association concerning the adoption of the proposed annual budget or any increase in the budget, or establishment of an assessment.

(4) Meetings of the board of the master association shall be open to any unit owner in a condominium subject to the authority of the board of the master association, except for the portion of any meeting held:

(A) to discuss litigation when an action against or on behalf of the particular master association has been filed and is pending in a court or administrative tribunal, or when the board of the master association finds that such an action is probable or imminent,

(B) to consider information regarding appointment, employment or dismissal of an employee, or

(C) to discuss violations of rules and regulations of the master association or unpaid common expenses owed to the master association.

Any vote on these matters shall be taken at a meeting or portion thereof open to any unit owner of a condominium subject to the authority of the master association.

Any unit owner may record the proceedings at meetings required to be open by this Act by tape, film or other means; the board may prescribe reasonable rules and regulations to govern the right to make such recordings. Notice of meetings shall be mailed or delivered at least 48 hours prior thereto, unless a written waiver of such notice is signed by the persons entitled to notice before the meeting is convened. Copies of notices of meetings of the board of the master association shall be posted in entranceways, elevators, or other conspicuous places in the condominium at least 48 hours prior to the meeting of the board of the master association. Where there is no common entranceway for 7 or more units, the board of the master association may designate one or more locations in the proximity of these units where the notices of meetings shall be posted.

(5) If the declaration provides for election by unit owners of members of the board of directors in the event of a resale of a unit in the master association, the purchaser of a unit from a seller other than the developer pursuant to an installment sales contract for purchase shall, during such times as he or she resides in the unit, be counted toward a quorum for purposes of election of members of the board of directors at any meeting of the unit owners called for purposes of electing members of the board, and shall have the right to vote for the election of members of the board of directors and to be elected to and serve on the board of directors unless the seller expressly retains in writing any or all of those rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office, or be elected and serve on the board. Satisfactory evidence of the installment sales contract shall be made available to the association or its agents. For purposes of this subsection, "installment sales contract" shall have the same meaning as set forth in Section 5 of the Installment Sales Contract Act and subsection (e) of Section 1 of the Dwelling Unit Installment Contract Act.

(6) The board of the master association shall have the authority to establish and maintain a system of master metering of public utility services and to collect payments in connection therewith, subject to the requirements of the Tenant Utility Payment Disclosure Act.

(7) The board of the master association or a common interest community association shall have the power, after notice and an opportunity to be heard, to levy and collect reasonable fines from members for violations of the declaration, bylaws, and rules and regulations of the master association or the common interest community association. Nothing contained in this subdivision (7) shall give rise to a statutory lien for unpaid fines.

(8) Other than attorney's fees, no fees pertaining to the collection of a unit owner's financial obligation to the Association, including fees charged by a manager or managing agent, shall be added to and deemed a part of an owner's respective share of the common expenses unless: (i) the managing agent fees relate to the costs to collect common expenses for the Association; (ii) the fees are set forth in a contract between the managing agent and the Association; and (iii) the authority to add the management fees to an owner's respective share of the common expenses is specifically stated in the declaration or bylaws of the Association.

(d) Records.

(1) The board of the master association shall maintain the following records of the association and make them available for examination and copying at convenient hours of weekdays by any unit owners in a condominium subject to the authority of the board or their mortgagees and their duly authorized agents or attorneys:

(i) Copies of the recorded declaration, other condominium instruments, other duly recorded covenants and bylaws and any amendments, articles of incorporation of the master association, annual reports and any rules and regulations adopted by the master association or its board shall be available. Prior to the organization of the master association, the developer shall maintain and make available the records set forth in this subdivision (d)(1) for examination and copying.

(ii) Detailed and accurate records in chronological order of the receipts and expenditures affecting the common areas, specifying and itemizing the maintenance and repair expenses of the common areas and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the master association, shall be maintained.

(iii) The minutes of all meetings of the master association and the board of the master association shall be maintained for not less than 7 years.

(iv) Ballots and proxies related thereto, if any, for any election held for the board of the master association and for any other matters voted on by the unit owners shall be maintained for not less than one year.

(v) Such other records of the master association as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986 shall be maintained.

(vi) With respect to units owned by a land trust, if a trustee designates in writing a person to cast votes on behalf of the unit owner, the designation shall remain in effect until a subsequent document is filed with the association.

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

(3) A reasonable fee may be charged by the master association or its board for the cost of copying.

(4) If the board of directors fails to provide records properly requested under subdivision (d)(1) within the time period provided in subdivision (d)(2), the unit owner may seek appropriate relief, including an award of attorney's fees and costs.

(e) The board of directors shall have standing and capacity to act in a representative capacity in relation to matters involving the common areas of the master association or more than one unit, on behalf of the unit owners as their interests may appear.

(f) Administration of property prior to election of the initial board of directors.

(1) Until the election, by the unit owners or the boards of managers of the underlying condominium associations, of the initial board of directors of a master association whose declaration is recorded on or after August 10, 1990, the same rights, titles, powers, privileges, trusts, duties and obligations that are vested in or imposed upon the board of directors by this Act or in the declaration or other duly recorded covenant shall be held and performed by the developer.

(2) The election of the initial board of directors of a master association whose declaration

is recorded on or after August 10, 1990, by the unit owners or the boards of managers of the underlying condominium associations, shall be held not later than 60 days after the conveyance by the developer of 75% of the units, or 3 years after the recording of the declaration, whichever is earlier. The developer shall give at least 21 days notice of the meeting to elect the initial board of directors and shall upon request provide to any unit owner, within 3 working days of the request, the names, addresses, and weighted vote of each unit owner entitled to vote at the meeting. Any unit owner shall upon receipt of the request be provided with the same information, within 10 days of the request, with respect to each subsequent meeting to elect members of the board of directors.

(3) If the initial board of directors of a master association whose declaration is recorded on or after August 10, 1990 is not elected by the unit owners or the members of the underlying condominium association board of managers at the time established in subdivision (f)(2), the developer shall continue in office for a period of 30 days, whereupon written notice of his resignation shall be sent to all of the unit owners or members of the underlying condominium board of managers entitled to vote at an election for members of the board of directors.

(4) Within 60 days following the election of a majority of the board of directors, other than the developer, by unit owners, the developer shall deliver to the board of directors:

(i) All original documents as recorded or filed pertaining to the property, its administration, and the association, such as the declaration, articles of incorporation, other instruments, annual reports, minutes, rules and regulations, and contracts, leases, or other agreements entered into by the association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the developer, or an officer or agent of the developer, as being a complete copy of the actual document recorded or filed.

(ii) A detailed accounting by the developer, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance and operation of the property, copies of all insurance policies, and a list of any loans or advances to the association which are outstanding.

(iii) Association funds, which shall have been at all times segregated from any other moneys of the developer.

(iv) A schedule of all real or personal property, equipment and fixtures belonging to the association, including documents transferring the property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies, and all tax bills.

(v) A list of all litigation, administrative action and arbitrations involving the association, any notices of governmental bodies involving actions taken or which may be taken concerning the association, engineering and architectural drawings and specifications as approved by any governmental authority, all other documents filed with any other governmental authority, all governmental certificates, correspondence involving enforcement of any association requirements, copies of any documents relating to disputes involving unit owners, and originals of all documents relating to everything listed in this subparagraph.

(vi) If the developer fails to fully comply with this paragraph (4) within the 60 days provided and fails to fully comply within 10 days of written demand mailed by registered or certified mail to his or her last known address, the board may bring an action to compel compliance with this paragraph (4). If the court finds that any of the required deliveries were not made within the required period, the board shall be entitled to recover its reasonable attorneys' fees and costs incurred from and after the date of expiration of the 10 day demand.

(5) With respect to any master association whose declaration is recorded on or after August 10, 1990, any contract, lease, or other agreement made prior to the election of a majority of the board of directors other than the developer by or on behalf of unit owners or underlying condominium associations, the association or the board of directors, which extends for a period of more than 2 years from the recording of the declaration, shall be subject to cancellation by more than ½ of the votes of the unit owners, other than the developer, cast at a special meeting of members called for that purpose during a period of 90 days prior to the expiration of the 2 year period if the board of managers is elected by the unit owners, otherwise by more than ½ of the underlying condominium board of managers. At least 60 days prior to

the expiration of the 2 year period, the board of directors, or, if the board is still under developer control, then the board of managers or the developer shall send notice to every unit owner or underlying condominium board of managers, notifying them of this provision, of what contracts, leases and other agreements are affected, and of the procedure for calling a meeting of the unit owners or for action by the underlying condominium board of managers for the purpose of acting to terminate such contracts, leases or other agreements. During the 90 day period the other party to the contract, lease, or other agreement shall also have the right of cancellation.

(6) The statute of limitations for any actions in law or equity which the master association may bring shall not begin to run until the unit owners or underlying condominium board of managers have elected a majority of the members of the board of directors.

(g) In the event of any resale of a unit in a master association by a unit owner other than the developer, the owner shall obtain from the board of directors and shall make available for inspection to the prospective purchaser, upon demand, the following:

(1) A copy of the declaration, other instruments and any rules and regulations.

(2) A statement of any liens, including a statement of the account of the unit setting forth the amounts of unpaid assessments and other charges due and owing.

(3) A statement of any capital expenditures anticipated by the association within the current or succeeding 2 fiscal years.

(4) A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the board of directors.

(5) A copy of the statement of financial condition of the association for the last fiscal year for which such a statement is available.

(6) A statement of the status of any pending suits or judgments in which the association is a party.

(7) A statement setting forth what insurance coverage is provided for all unit owners by the association.

(8) A statement that any improvements or alterations made to the unit, or any part of the common areas assigned thereto, by the prior unit owner are in good faith believed to be in compliance with the declaration of the master association.

The principal officer of the unit owner's association or such other officer as is specifically designated shall furnish the above information when requested to do so in writing, within 30 days of receiving the request.

A reasonable fee covering the direct out-of-pocket cost of copying and providing such information may be charged by the association or its board of directors to the unit seller for providing the information.

(g-1) The purchaser of a unit of a common interest community at a judicial foreclosure sale, other than a mortgagee, who takes possession of a unit of a common interest community pursuant to a court order or a purchaser who acquires title from a mortgagee shall have the duty to pay the proportionate share, if any, of the common expenses for the unit that would have become due in the absence of any assessment acceleration during the 6 months immediately preceding institution of an action to enforce the collection of assessments and the court costs incurred by the association in an action to enforce the collection that remain unpaid by the owner during whose possession the assessments accrued. If the outstanding assessments and the court costs incurred by the association in an action to enforce the collection are paid at any time during any action to enforce the collection of assessments, the purchaser shall have no obligation to pay any assessments that accrued before he or she acquired title. The notice of sale of a unit of a common interest community under subsection (c) of Section 15-1507 of the Code of Civil Procedure shall state that the purchaser of the unit other than a mortgagee shall pay the assessments and court costs required by this subsection (g-1).

(h) Errors and omissions.

(1) If there is an omission or error in the declaration or other instrument of the master association, the master association may correct the error or omission by an amendment to the

declaration or other instrument, as may be required to conform it to this Act, to any other applicable statute, or to the declaration. The amendment shall be adopted by vote of two-thirds of the members of the board of directors or by a majority vote of the unit owners at a meeting called for that purpose, unless the Act or the declaration of the master association specifically provides for greater percentages or different procedures.

(2) If, through a scrivener's error, a unit has not been designated as owning an appropriate undivided share of the common areas or does not bear an appropriate share of the common expenses, or if all of the common expenses or all of the common elements in the condominium have not been distributed in the declaration, so that the sum total of the shares of common areas which have been distributed or the sum total of the shares of the common expenses fail to equal 100%, or if it appears that more than 100% of the common elements or common expenses have been distributed, the error may be corrected by operation of law by filing an amendment to the declaration, approved by vote of two-thirds of the members of the board of directors or a majority vote of the unit owners at a meeting called for that purpose, which proportionately adjusts all percentage interests so that the total is equal to 100%, unless the declaration specifically provides for a different procedure or different percentage vote by the owners of the units and the owners of mortgages thereon affected by modification being made in the undivided interest in the common areas, the number of votes in the unit owners association or the liability for common expenses appertaining to the unit.

(3) If an omission or error or a scrivener's error in the declaration or other instrument is corrected by vote of two-thirds of the members of the board of directors pursuant to the authority established in subdivisions (h)(1) or (h)(2) of this Section, the board, upon written petition by unit owners with 20% of the votes of the association or resolutions adopted by the board of managers or board of directors of the condominium and common interest community associations which select 20% of the members of the board of directors of the master association, whichever is applicable, received within 30 days of the board action, shall call a meeting of the unit owners or the boards of the condominium and common interest community associations which select members of the board of directors of the master association within 30 days of the filing of the petition or receipt of the condominium and common interest community association resolution to consider the board action. Unless a majority of the votes of the unit owners of the association are cast at the meeting to reject the action, or board of managers or board of directors of condominium and common interest community associations which select over 50% of the members of the board of the master association adopt resolutions prior to the meeting rejecting the action of the board of directors of the master association, it is ratified whether or not a quorum is present.

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

(5) If there is an omission or error in the declaration or other instruments that may not be corrected by an amendment procedure set forth in subdivision (h)(1) or (h)(2) of this Section, then the circuit court in the county in which the master association is located shall have jurisdiction to hear a petition of one or more of the unit owners thereon or of the association, to correct the error or omission, and the action may be a class action. The court may require that one or more methods of correcting the error or omission be submitted to the unit owners to determine the most acceptable correction. All unit owners in the association must be joined as parties to the action. Service of process on owners may be by publication, but the plaintiff shall furnish all unit owners not personally served with process with copies of the petition and final judgment of the court by certified mail, return receipt requested, at their last known address.

(6) Nothing contained in this Section shall be construed to invalidate any provision of a declaration authorizing the developer to amend an instrument prior to the latest date on which the initial membership meeting of the unit owners must be held, whether or not it has actually been held, to bring the instrument into compliance with the legal requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal

Housing Administration, the United States Veterans Administration or their respective successors and assigns.

(i) The provisions of subsections (c) through (h) are applicable to all declarations, other condominium instruments, and other duly recorded covenants establishing the powers and duties of the master association recorded under this Act. Any portion of a declaration, other condominium instrument, or other duly recorded covenant establishing the powers and duties of a master association which contains provisions contrary to the provisions of subsection (c) through (h) shall be void as against public policy and ineffective. Any declaration, other condominium instrument, or other duly recorded covenant establishing the powers and duties of the master association which fails to contain the provisions required by subsections (c) through (h) shall be deemed to incorporate such provisions by operation of law.

(j) (Blank)

Sec. 18.6 Display of American flag or military flag.

(a) Notwithstanding any provision in the declaration, bylaws, rules, regulations, or agreements or other instruments of a condominium association or a master association or a common interest community association or a board's construction of any of those instruments, a board may not prohibit the display of the American flag or a military flag, or both, on or within the limited common areas and facilities of a unit owner or on the immediately adjacent exterior of the building in which the unit of a unit owner is located. A board may adopt reasonable rules and regulations, consistent with Sections 4 through 10 of Chapter 1 of Title 4 of the United States Code, regarding the placement and manner of display of the American flag and a board may adopt reasonable rules and regulations regarding the placement and manner of display of a military flag. A board may not prohibit the installation of a flagpole for the display of the American flag or a military flag, or both, on or within the limited common areas and facilities of a unit owner or on the immediately adjacent exterior of the building in which the unit of a unit owner is located, but a board may adopt reasonable rules and regulations regarding the location and size of flagpoles.

(b) As used in this Section:

"American flag" means the flag of the United States (as defined in Section 1 of Chapter 1 of Title 4 of the United States Code and the Executive Orders entered in connection with that Section) made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "American flag" does not include a depiction or emblem of the American flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

"Board" includes a board of managers or a board of a master association or a common interest community association.

"Military flag" means a flag of any branch of the United States armed forces or the Illinois National Guard and the Honor and Remember Flag made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "military flag" does not include a depiction or emblem of a military flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

Sec. 18.7 Standards for community association managers.

(a) "Community association" means an association in which membership is a condition of ownership or shareholder interest of a unit in a condominium, cooperative, townhouse, villa, or other residential unit that is part of a residential development plan as a master association or common interest community and that is authorized to impose an assessment and other costs that may become a lien on the unit or lot.

(b) "Community association manager" means an individual who administers for compensation the coordination of financial, administrative, maintenance, or other duties called for in the management contract, including individuals who are direct employees of a community association. A manager does not include support staff, such as bookkeepers, administrative assistants, secretaries, property inspectors, or customer service representatives.

(c) Requirements. To perform services as a community association manager, an individual must meet these requirements:

(1) shall have attained the age of 21 and be a citizen or legal permanent resident of the

United States;

(2) shall not have been convicted of forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or other similar offense or offenses;

(3) shall have a working knowledge of the fundamentals of community association management, including the Condominium Property Act, the Illinois Not-for-Profit Corporation Act, and any other laws pertaining to community association management; and

(4) shall not have engaged in the following activities: failure to cooperate with any law enforcement agency in the investigation of a complaint; or failure to produce any document, book, or record in the possession or control of the community association manager after a request for production of that document, book, or record in the course of an investigation of a complaint.

(d) Access to community association funds. For community associations of 6 or more units, apartments, townhomes, villas or other residential units, a community association manager or the firm with whom the manager is employed shall not solely and exclusively have access to and disburse funds of a community association unless:

(1) There is a fidelity bond in place.

(2) The fidelity bond is in an amount not less than all monies of that association in the custody or control of the community association manager.

(3) The fidelity bond covers the community association manager and all partners, officers, and employees of the firm with whom the community association manager is employed during the term of the bond, as well as the community association officers, directors, and employees of the community association who control or disburse funds.

(4) The insurance company issuing the bond may not cancel or refuse to renew the bond without giving not less than 10 days' prior written notice to the community association.

(5) The community association shall secure and pay for the bond.

(e) A community association manager who provides community association management services for more than one community association shall maintain separate, segregated accounts for each community association. The funds shall not, in any event, be commingled with funds of the community association manager, the firm of the community association manager, or any other community association. The maintenance of these accounts shall be custodial, and the accounts shall be in the name of the respective community association.

(f) Exempt persons. Except as otherwise provided, this Section does not apply to any person acting as a receiver, trustee in bankruptcy, administrator, executor, or guardian acting under a court order or under the authority of a will or of a trust instrument.

(g) Right of Action.

(1) Nothing in this amendatory Act of the 95th General Assembly shall create a cause of action by a unit owner, shareholder, or community association member against a community association manager or the firm of a community association manager.

(2) This amendatory Act of the 95th General Assembly shall not impair any right of action by a unit owner or shareholder against a community association board of directors under existing law.

Sec. 18.8 Use of technology.

(a) Any notice required to be sent or received or signature, vote, consent, or approval required to be obtained under any condominium instrument or any provision of this Act may be accomplished using acceptable technological means. This Section shall govern the use of technology in implementing the provisions of any condominium instrument or any provision of this Act concerning notices, signatures, votes, consents, or approvals.

(b) The association, unit owners, and other persons entitled to occupy a unit may perform any obligation or exercise any right under any condominium instrument or any provision of this Act by use of acceptable technological means.

(c) A signature transmitted by acceptable technological means satisfies any requirement for a signature under any condominium instrument or any provision of this Act.

(d) Voting on, consent to, and approval of any matter under any condominium instrument or any provision of this Act may be accomplished by any acceptable technological means, provided that a record is created as evidence thereof and maintained as long as the record would be required to be maintained in nonelectronic form.

(e) Subject to other provisions of law, no action required or permitted by any condominium instrument or any provision of this Act need to be acknowledged before a notary public if the identity and signature of the signatory can otherwise be authenticated to the satisfaction of the board of directors or board of managers.

(f) If any person does not provide written authorization to conduct business using acceptable technological means, the association shall, at its expense, conduct business with the person without the use of acceptable technological means.

(g) This Section does not apply to any notices required: (i) under Article IX of the Code of Civil Procedure; or (ii) in connection with foreclosure proceedings in enforcement of any lien rights under this Act.

Sec. 18.9 Common elements; rights of board.

(a) Any provision in a condominium instrument is void as against public policy and ineffective if it limits or restricts the rights of the board of managers by:

(1) requiring the prior consent of the unit owners in order for the board of managers to take any action, including the institution of any action in court or a demand for a trial by jury; or

(2) notwithstanding Section 32 of this Act, requiring the board of managers to arbitrate or mediate a dispute with any one or more of all of the declarants under the condominium instruments or the developer or any person not then a unit owner prior to the institution of any action by the board of managers or a demand for a trial by jury.

(b) A provision in a declaration which would otherwise be void and ineffective under this Section may be enforced if it is approved by a vote of not less than 75% of the unit owners at any time after the election of the first unit owner board of managers.

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

Sec. 18.11 Heating and cooling standards.

(a) When a condominium building has a cooling system or heating system or both serving the entire building, including individual units, the association shall comply with the following standards with respect to the individual units in which people live:

(1) During the cooling season, June 1 through September 30, cooling systems must operate when the heat index exceeds 80 degrees Fahrenheit.

(2) During the heating season, October 1 through May 31: (i) between 6 a.m. and 10 p.m., heat must register at least 68 degrees Fahrenheit when the outside temperature falls below 55 degrees Fahrenheit, and (ii) between 10 p.m. and 6 a.m., heat must register at least 62 degrees Fahrenheit.

(b) When a condominium building does not have a building-wide cooling system that serves individual units, then the association shall provide at least one indoor common gathering space for which a cooling system operates when the heat index exceeds 80 degrees Fahrenheit. All occupants of the building shall have free access to that cooled space. As used in this subsection, “indoor common gathering space” means a room intended to be used as a place where multiple people can gather, such as a lounge, meeting or conference room, party room, or similar that can accommodate a cooling system. Any condominium building that does not have an in indoor common gathering space shall be exempt from this subsection.

(c) This Section only applies to associations in which the initial declaration limits ownership, rental, or occupancy of a unit to a person 55 years of age or older.

Sec. 18.12 Accessible parking.

(a) The board of managers shall adopt a policy to reasonably accommodate a unit owner who is a person with a disability who requires accessible parking. Such a policy shall include,

without limitation, the procedure for submitting a request for an accessible parking space and the time in which the board shall review the request. The time for review shall not be more than 45 days from the date the request is submitted. The board must review and make a decision on the request within a reasonable period of time. A copy of such policy shall be given to any unit owner upon request. The board of managers shall adopt such policy no later than 90 days after the effective date [January 1, 2025] of this amendatory Act of the 103rd General Assembly for condominiums existing on said effective date or 90 days after the date of the election of the initial board of managers pursuant to Section 18.2 of this Act.

(b) The board of managers shall make reasonable efforts to facilitate a resolution between unit owners to provide for accessible parking when the association does not own or otherwise control parking that meets the accessible parking needs of a unit owner who is a person with a disability who requires accessible parking.

(c) For all new construction condominiums and conversion condominiums submitted to the provisions of this Act after the effective date of this amendatory Act of the 103rd General Assembly, all accessible parking spaces constructed or created in accordance with applicable federal, State, and local building and accessibility statutes, codes, and ordinances must remain part of the common elements. No developer or declarant shall construct, create, or otherwise make parking units (a unit as defined in Section 2 of this Act that is a parking space) or limited common elements of such accessible parking spaces. The board of managers has the authority to establish rules and regulations for the use of such common element accessible parking spaces, including, but not limited to, renting or licensing such common element accessible parking spaces to non-disabled unit owners, provided that the rules and regulations must provide that a unit owner who is a person with a disability who requires accessible parking has priority over non-disabled unit owners, and that non-disabled unit owners must immediately stop using such common element accessible parking space when a request by a unit owner who is a person with a disability for accessible parking is approved by the board.

Nothing in this subsection (c) shall preclude a disabled person from purchasing a parking unit or a residential unit to which a limited common element parking space is assigned, and no developer or declarant shall refuse to sell a parking unit to a disabled person or assign a limited common element parking space to a residential unit purchased by a disabled person. If a disabled person purchases a parking unit or a residential unit to which a limited common element parking space is assigned, that unit owner who is a person with a disability who requires accessible parking may request use of a common element accessible parking space in exchange for permitting the association use of that disabled unit owner's parking unit or limited common element parking space.

(d) Subsections (a) and (b) apply to all condominiums that have parking, regardless of whether the parking comprises parking units, limited common elements, common elements, or parking rights.

(e) An aggrieved unit owner, an aggrieved prospective unit owner, or the board of managers may commence a civil action in State court against a developer or declarant who fails to comply with its requirements under subsection (c). If the court finds that the developer or declarant failed to comply with these requirements, it may award declaratory relief, actual damages, punitive damages and, if appropriate, equitable relief.

The condominium association shall not be held liable for the failure of the developer or declarant to comply with its requirements under subsection (c).

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

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

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

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

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

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

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

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

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

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

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

(10) any reserve study.

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

Any member who prevails in an enforcement action to compel examination of records described in subdivisions (1), (2), (3), (4), (5), (6), (9) and (10) of subsection (a) of this Section shall be entitled to recover reasonable attorney's fees and costs from the association.

(c) (Blank)

(d) (Blank)

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

(e) Except as otherwise provided in subsection (g) of this Section, any member of an association shall have the right to inspect, examine, and make copies of the records described in subdivisions (7) and (8) of subsection (a) of this Section, in person or by agent, at any reasonable time or times but only for a purpose that relates to the association, at the association's principal office. In order to exercise this right, a member must submit a written request, to the association's board of managers or its authorized agent, stating with particularity the records sought to be examined. As a condition for exercising this right, the board of managers or authorized agent of the association may require the member to certify in writing that the information contained in the records obtained by the member will not be used by the member for any commercial purpose or for any purpose that does not relate to the association. The board of managers of the association may impose a fine in accordance with item (1) of Section 18.4 upon any person who makes a false certification. Subject to the provisions of subsection (g) of this Section, failure of an association's board of managers to make available all records so requested within 10 business days of receipt of the member's written request shall be deemed a denial; provided, however, that the board of managers of an association that has adopted a secret ballot election process as provided in Section 18 of this Act shall not be deemed to have denied a member's request for records described in subdivision (8) of subsection (a) of this Section if voting ballots, without identifying unit numbers, are made available to the requesting member within 10 business days of receipt of the member's written request.

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

(f) The actual cost to the association of retrieving and making requested records available for inspection and examination under this Section may be charged by the association to the

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

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

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

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

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

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

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

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

Sec. 20 Exemption from rules of property. It is expressly provided that the rule of property known as the rule against perpetuities and the rule of property known as the rule restricting unreasonable restraints on alienation shall not be applied to defeat any of the provisions of this Act.

Sec. 21 Severability. If any provision of this Act or any section, sentence, clause, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of the Act and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

Sec. 22 Full disclosure before sale. In relation to the initial sale or offering for sale of any condominium unit, the seller must make full disclosure of, and provide copies to the prospective buyer of, the following information relative to the condominium project:

(a) the Declaration;

(b) the Bylaws of the association;

(c) a projected operating budget for the condominium unit to be sold to the prospective buyer, including full details concerning the estimated monthly payments for the condominium unit, estimated monthly charges for maintenance or management of the condominium property, and monthly charges for the use of recreational facilities; and

(d) a floor plan of the apartment to be purchased by the prospective buyer and the street address of the unit, if any, and if the unit has no unique street address, the street address of the project.

(e) In addition, any developer of a conversion condominium shall include the following information:

(1) A specific statement of the amount of any initial or special condominium fee due from the purchaser on or before settlement of the purchase contract and the basis of such fee;

(2) Information, if available, on the actual expenditures made on all repairs, maintenance, operation, or upkeep of the subject building or buildings within the last 2 years, set forth tabularly with the proposed budget of the condominium and cumulatively, broken down on a per unit basis in proportion to the relative voting strengths allocated to the units by the bylaws. If such building or buildings have not been occupied for a period of 3 years then the information shall be set forth for the last 2 year period such building or buildings have been occupied;

(3) A description of any provisions made in the budget for reserves for capital expenditures

and an explanation of the basis for such reserves, or, if no provision is made for such reserves, a statement to that effect;

(4) For developments of more than 6 units for which the notice of intent to convert is issued after the effective date of this amendatory Act of 1979, an engineer's report furnished by the developer as to the present condition of all structural components and major utility installations in the condominium, which statement shall include the approximate dates of construction, installation, major repairs and the expected useful life of such items, together with the estimated cost (in current dollars) of replacing such items; and

(5) Any release, warranty, certificate of insurance, or surety required by Section 9.1.

All of the information required by this Section which is available at the time shall be furnished to the prospective buyer before execution of the contract for sale. Thereafter, no changes or amendments may be made in any of the items furnished to the prospective buyer which would materially affect the rights of the buyer or the value of the unit without obtaining the approval of at least 75% of the buyers then owning interest in the condominium. If all of the information is not available at the time of execution of the contract for sale, then the contract shall be voidable at option of the buyer at any time up until 5 days after the last item of required information is furnished to the prospective buyer, or until the closing of the sale, whichever is earlier. Failure on the part of the seller to make full disclosure as required by this Section shall entitle the buyer to rescind the contract for sale at any time before the closing of the contract and to receive a refund of all deposit moneys paid with interest thereon at the rate then in effect for interest on judgments.

A sale is not an initial sale for the purposes of this Section if there is not a bona fide transfer of the ownership and possession of the condominium unit for the purpose of occupancy of such unit as the result of the sale or if the sale was entered into for the purpose of avoiding the requirements of this Section. The buyer in the first bona fide sale of any condominium unit has the rights granted to buyers under this Section. If the buyer in any sale of a condominium unit asserts that such sale is the first bona fide sale of that unit, the seller has the burden of proving that his interest was acquired through a bona fide sale.

Sec. 22.1 Resales; disclosures; fees.

(a) In the event of any resale of a condominium unit by a unit owner other than the developer such owner shall obtain from the board of managers and shall make available for inspection to the prospective purchaser, upon demand, the following:

(1) A copy of the Declaration, bylaws, other condominium instruments and any rules and regulations.

(2) A statement of any liens, including a statement of the account of the unit setting forth the amounts of unpaid assessments and other charges due and owing as authorized and limited by the provisions of Section 9 of this Act or the condominium instruments.

(3) A statement of any capital expenditures anticipated by the unit owner's association within the current or succeeding 2 fiscal years.

(4) A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the board of managers.

(5) A copy of the statement of financial condition of the unit owner's association for the last fiscal year for which such statement is available.

(6) A statement of the status of any pending suits or judgments in which the unit owner's association is a party.

(7) A statement setting forth what insurance coverage is provided for all unit owners by the unit owner's association.

(8) A statement that any improvements or alterations made to the unit, or the limited common elements assigned thereto, by the prior unit owner are in good faith believed to be in compliance with the condominium instruments.

(9) The identity and mailing address of the principal officer of the unit owner's association or of the other officer or agent as is specifically designated to receive notices.

(b) The principal officer of the unit owner's association or such other officer as is specifically

designated shall furnish the above information when requested to do so in writing and within 10 business days of the request.

(c) Within 15 days of the recording of a mortgage or trust deed against a unit ownership given by the owner of that unit to secure a debt, the owner shall inform the board of managers of the unit owner's association of the identity of the lender together with a mailing address at which the lender can receive notices from the association. If a unit owner fails or refuses to inform the Board as required under subsection (c) then that unit owner shall be liable to the association for all costs, expenses and reasonable attorney's fees and such other damages, if any, incurred by the association as a result of such failure or refusal.

A reasonable fee, not to exceed $375, covering the direct out-of-pocket costs of providing such information and copying may be charged by the association or its board of managers to the unit seller for providing such information. Beginning one year after the effective date of this amendatory Act of the 102nd General Assembly, [May 27, 2022] the $375 fee shall be increased or decreased, as applicable, by a percentage equal to the percentage change in the consumer price index-u during the preceding 12-month calendar year. "Consumer price index-u" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100. An association may charge an additional $100 for rush service completed with 72 hours.

Sec. 22.2 Resale approval. In the event of a sale of a condominium unit by a unit owner, no condominium association shall exercise any right of first refusal, option to purchase, or right to disapprove the sale, (a) on the basis that the purchaser's financing is guaranteed by the Federal Housing Administration or (b) for a discriminatory or otherwise unlawful purpose. Any person aggrieved by a violation of this Section shall have a right of action in a State circuit court against the offending condominium association.

Sec. 23 Encroachments. If any portion of the common elements encroaches upon any unit, or if any unit encroaches upon any portion of the common elements or any other unit as a result of the construction, repair, reconstruction, settlement or shifting of any building, a valid mutual easement shall exist in favor of the owners of the common elements and the respective unit owners involved to the extent of the encroachment. A valid easement shall not exist in favor of any owner who creates an encroachment by his intentional, willful or negligent conduct or that of his agent.

Sec. 24 Deposits by purchaser. Any deposit, payment or advance in the payment of the purchase price for the initial sale of a unit, received by the developer or his agent other than a payment made for extra work ordered in writing by the purchaser of a unit, shall be held in an escrow account until title is conveyed to the purchaser. The escrow funds shall be segregated in a separate account designated for this purpose. The developer shall deposit all the payments in an interest bearing account at a federally insured bank or savings and loan institution, which account shall be maintained within applicable federal insurance limits, and all the interest is to be credited to the purchaser on the purchase price of the unit. Such interest shall accrue from the time of the deposit, payment or advance in the payment of the purchase price of the unit. There shall be no interest however, if the transfer of title takes place 45 days from the time the contract to purchase is entered. In the event of a refund or default, the interest earned on such deposit, payment or advance shall follow the disposition of the deposit, payment or advance. Escrow funds shall not be subject to attachment by any creditor of a purchaser or of the developer or by the holder of a lien against any portion of the property.

The provisions of this Section shall not apply to any payment received on account for the purchase of a completed condominium unit under articles of agreement for deed, installment agreement for deed, or lease with option to purchase, if the agreement provides for conveyance of title more than one year after the date of execution of the agreement.

Sec. 25 Add-on Condominiums. The developer may reserve the right to add additional property to that which has been submitted to the provisions of this Act, and in the event of any addition, to reallocate percentage interests in the common elements in accordance with the provisions of this Act and the condominium instruments by recording an amended plat in accordance with the provisions of Section 5 of this Act, together with an amendment to the declaration in accordance with Section 6 of this Act. Notwithstanding any other provisions of this Act requiring approval of unit owners, no approval shall be required if the developer complies

with the requirements of this Section.

If the developer wishes to reserve the right to add additional property, the declaration shall contain:

(a) an explicit reservation of an option to add additional property to the condominium;

(b) a statement of the method by which the reallocation of percentage interests, adjustments to voting rights, and rights, and changes in liability for common expenses shall be determined if additional units are added;

(c) a legal description of all land which may be added to the property, herein referred to as "additional land" whether the units are occupied or not;

(d) a time limit of 10 years from the date of the recording of the declaration, after which the option to add additional property shall no longer be in effect and a statement of the circumstances, if any, under which it may terminate. In all cases in which the option to add additional property is exercised, the contracts for construction and delivery of such additional property shall contain a date for the completion and delivery of the additional property to be constructed;

(e) a statement as to whether portions of the additional land may be added to the property at different times, and as to whether there are any limitations on the order thereof, or any limitations fixing the boundaries of these portions, or whether any particular portion of it must be added;

(f) a statement concerning limitations, if any, on the locations of improvements which may be made on the additional land added;

(g) a statement of the maximum number of units, if any, which may be created on the additional land. If portions of the additional land may be added to the property and the boundaries of those portions are fixed in accordance with paragraph (e) of this Section, the declaration shall also state the maximum number of units that may be created on each such portion to be added to the property. If portions of the additional land may be added to the property and the boundaries of those portions are not fixed in accordance with paragraph (e) of this Section, then the declaration shall also state the largest number of units which may be created on each acre of any portion added to the property;

(h) a statement of the extent to which structures, improvements, buildings and units will be compatible with the configuration of the property in relation to density, use, construction and architectural style; and

(i) any plat or site plans or other graphic material which the developer may wish to set forth in order to supplement or explain the information provided.

Subject to any restrictions and limitations specified by the condominium instruments, there shall be an appurtenant easement over and on the common elements for the purpose of making improvements on the additional land, and for the purpose of doing what is reasonably necessary and proper in conjunction therewith.

No provision of this Act shall be binding upon or obligate the developer to exercise his option to make additions or bind the land described in the condominium instruments. No provision of the condominium instruments shall be construed to be binding upon or obligate the developer to exercise his option to make additions, and the land legally described therein shall not be bound thereby, except in the case of any covenant, restriction, limitation, or other representation or commitment in the condominium instruments, or in any other agreement made with, or by, the developer, requiring the developer to add all or any portion of the additional land, or imposing any obligation with regard to anything that is or is not to be done thereon or with regard thereto, or imposing any obligations with regard to anything that is or is not to be done on or with regard to the property or any portion thereof, this Section shall not be construed to nullify, limit, or otherwise affect any such obligation.

Any amendment to the declaration adding additional land may contain such complementary additions and modifications of the provisions of the declaration affecting the additional land which are necessary to reflect the differences in character, if any, of the additional land and the improvements thereto. In no event, however, shall any such amendment to a declaration revoke, modify or add to the covenants established by the declaration for the property already subject to the declaration.

Sec. 26 Transfer of Limited Common Elements. The use of limited common elements may be transferred between unit owners at their expense, provided that the transfer may be made only in accordance with the condominium instruments and the provision of this Act. Each transfer shall be made by an amendment to the declaration executed by all unit owners who are parties to the transfer and consented to by all other unit owners who have any right to use the limited common elements affected. The amendment shall contain a certificate showing that a copy of the amendment has been delivered to the board of managers. The amendment shall contain a statement from the parties involved in the transfer which sets forth any changes in the parties' proportionate shares. If the parties cannot agree upon a reapportionment of their respective shares, the board of managers shall decide such reapportionment. No transfer shall become effective until the amendment has been recorded. Rights and obligations in respect to any limited common element shall not be affected, nor shall any transfer of it be effective, unless a transaction is in compliance with the requirements of this Section.

Each limited common element may be identified on the plat by the distinguishing number or other symbol of the unit or units to which it is assigned, and its location in respect to the unit or units may also be shown or may be otherwise located in the declaration.

Sec. 27 Amendments.

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

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

(ii) with the approval of, or notice to, any mortgagees or other lienholders of record, if required under the provisions of the condominium instruments. If the condominium instruments require approval of any mortgagee or lienholder of record and the mortgagee or lienholder of record receives a request to approve or consent to the amendment to the condominium instruments, the mortgagee or lienholder of record is deemed to have approved or consented to the request unless the mortgagee or lienholder of record delivers a negative response to the requesting party within 60 days after the mailing of the request. A request to approve or consent to an amendment to the condominium instruments that is required to be sent to a mortgagee or lienholder of record shall be sent by certified mail.

(b) (1) If there is an omission, error, or inconsistency in a condominium instrument, such that a provision of a condominium instrument does not conform to this Act or to another applicable statute, the association may correct the omission, error, or inconsistency to conform the condominium instrument to this Act or to another applicable statute by an amendment adopted by vote of two-thirds of the board of managers, without a unit owner vote. A provision in a condominium instrument requiring or allowing unit owners, mortgagees, or other lienholders of record to vote to approve an amendment to a condominium instrument, or for the mortgagees or other lienholders of record to be given notice of an amendment to a condominium instrument, is not applicable to an amendment to the extent that the amendment corrects an omission, error, or inconsistency to conform the condominium instrument to this Act or to another applicable statute.

(2) If through a scrivener's error, a unit has not been designated as owning an appropriate undivided share of the common elements or does not bear an appropriate share of the common expenses or that all the common expenses or all of the common elements in the condominium have not been distributed in the declaration, so that the sum total of the shares of common elements which have been distributed or the sum total of the shares of the common expenses fail to equal 100%, or if it appears that more than 100% of the common elements or common expenses have been distributed, the error may be corrected by operation of law by filing an amendment to the declaration approved by vote of two-thirds of the members of the board of managers or a majority vote of the unit owners at a meeting called for this purpose which proportionately adjusts all percentage interests so that the total is equal to 100% unless the condominium instruments specifically provide for a different procedure or different percentage vote by the owners of the units and the owners of mortgages thereon affected by modification being made in the undivided interest in the common elements, the number of votes in the unit owners association or the liability for common expenses appertaining to the unit.

(3) If an omission or error or a scrivener's error in the declaration, bylaws or other condominium instrument is corrected by vote of two-thirds of the members of the board of managers pursuant to the authority established in paragraph (1) or (2) of this subsection (b), the board upon written petition by unit owners with 20 percent of the votes of the association filed within 30 days of the board action shall call a meeting of the unit owners within 30 days of the filing of the petition to consider the board action. Unless a majority of the votes of the unit owners of the association are cast at the meeting to reject the action, it is ratified whether or not a quorum is present.

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

(5) If there is an omission or error in the declaration, bylaws, or other condominium instruments, which may not be corrected by an amendment procedure set forth in paragraphs (1) and (2) of this subsection (b) in the declaration then the Circuit Court in the County in which the condominium is located shall have jurisdiction to hear a petition of one or more of the unit owners thereon or of the association, to correct the error or omission, and the action may be a class action. The court may require that one or more methods of correcting the error or omission be submitted to the unit owners to determine the most acceptable correction. All unit owners in the association must be joined as parties to the action. Service of process on owners may be by publication, but the plaintiff shall furnish all unit owners not personally served with process with copies of the petition and final judgment of the court by certified mail return receipt requested, at their last known address.

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

Sec. 28 (Blank)

Sec. 29 Alterations within Units. A unit owner owning 2 or more units shall have the right, subject to such reasonable limitations as the condominium instruments may impose, to remove or otherwise alter any intervening partition, so long as the action does not weaken, impair or endanger any common element or unit. The unit owner shall notify the board of managers of the nature of the removal or alteration at least 10 days prior to commencing work.

Sec. 30 Conversion condominiums; notice; recording.

(a) (1) No real estate may be submitted to the provisions of the Act as a conversion condominium unless (i) a notice of intent to submit the real estate to this Act (notice of intent) has been given to all persons who were tenants of the building located on the real estate on the date the notice is given. Such notice shall be given at least 30 days, and not more than one year prior to the recording of the declaration which submits the real estate to this Act; and (ii) the developer executes and acknowledges a certificate which shall be attached to and made a part of the declaration and which provides that the developer, prior to the execution by him or his agent of any agreement for the sale of a unit, has given a copy of the notice of intent to all persons who were tenants of the building located on the real estate on the date the notice of intent was given.

(2) If the owner fails to provide a tenant with notice of the intent to convert as defined in this Section, the tenant permanently vacates the premises as a direct result of non-renewal of his or her lease by the owner, and the tenant's unit is converted to a condominium by the filing of a declaration submitting a property to this Act without having provided the required notice, then the owner is liable to the tenant for the following:

(A) the tenant's actual moving expenses incurred when moving from the subject property, not to exceed $1,500;

(B) 3 months' rent at the subject property; and

(C) reasonable attorneys' fees and court costs.

(b) Any developer of a conversion condominium must, upon issuing the notice of intent, publish and deliver along with such notice of intent, a schedule of selling prices for all units subject to the condominium instruments and offer to sell such unit to the current tenants, except for units to be vacated for rehabilitation subsequent to such notice of intent. Such offer shall not expire earlier than 30 days after receipt of the offer by the current tenant, unless the tenant notifies the developer in writing of his election not to purchase the condominium unit.

(c) Any tenant who was a tenant as of the date of the notice of intent and whose tenancy expires (other than for cause) prior to the expiration of 120 days from the date on which a copy of the notice of intent was given to the tenant shall have the right to extend his tenancy on the same terms and conditions and for the same rental until the expiration of such 120-day period by giving of written notice thereof to the developer within 30 days of the date upon which a copy of the notice of intent was given to the tenant by the developer.

(d) Each lessee in a conversion condominium shall be informed by the developer at the time the notice of intent is given whether his tenancy will be renewed or terminated upon its expiration. If the tenancy is to be renewed, the tenant shall be informed of all charges, rental or otherwise, in connection with the new tenancy and the length of the term of occupancy proposed in conjunction therewith.

(e) For a period of 120 days following his receipt of the notice of intent, any tenant who was a tenant on the date the notice of intent was given shall be given the right to purchase his unit on substantially the same terms and conditions as set forth in a duly executed contract to purchase the unit, which contract shall conspicuously disclose the existence of, and shall be subject to, the right of first refusal. The tenant may exercise the right of first refusal by giving notice thereof to the developer prior to the expiration of 30 days from the giving of notice by the developer to the tenant of the execution of the contract to purchase the unit. The tenant may exercise such right of first refusal within 30 days from the giving of notice by the developer of the execution of a contract to purchase the unit, notwithstanding the expiration of the 120-day period following the tenant's receipt of the notice of intent, if such contract was executed prior to the expiration of the 120-day period. The recording of the deed conveying the unit to the purchaser which contains a statement to the effect that the tenant of the unit either waived or failed to exercise the right of first refusal or option or had no right of first refusal or option with respect to the unit shall extinguish any legal or equitable right or interest to the possession or acquisition of the unit which the tenant may have or claim with respect to the unit arising out of the right of first refusal or option provided for in this Section. The foregoing provision shall not affect any claim which the tenant may have against the landlord for damages arising out of the right of first refusal provided for in this Section.

(f) During the 30-day period after the giving of notice of an executed contract in which the tenant may exercise the right of first refusal, the developer shall grant to such tenant access to any portion of the building to inspect any of its features or systems and access to any reports, warranties, or other documents in the possession of the developer which reasonably pertain to the condition of the building. Such access shall be subject to reasonable limitations, including as to hours. The refusal of the developer to grant such access is a business offense punishable by a fine of $500. Each refusal to an individual lessee who is a potential purchaser is a separate violation.

(g) Any notice provided for in this Section shall be deemed given when a written notice is delivered in person or mailed, certified or registered mail, return receipt requested to the party who is being given the notice.

(h) Prior to their initial sale, units offered for sale in a conversion condominium and occupied by a tenant at the time of the offer shall be shown to prospective purchasers only a reasonable number of times and at appropriate hours. Units may only be shown to prospective purchasers during the last 90 days of any expiring tenancy.

(i) Any provision in any lease or other rental agreement, or any termination of occupancy on account of condominium conversion, not authorized herein, or contrary to or waiving the foregoing provisions, shall be deemed to be void as against public policy.

(j) A tenant is entitled to injunctive relief to enforce the provisions of subsections (a) and (c) of this Section.

(k) A non-profit housing organization, suing on behalf of an aggrieved tenant under this Section, may also recover compensation for reasonable attorney's fees and court costs necessary for filing such action.

(l) Nothing in this Section shall affect any provision in any lease or rental agreement in effect before this Act becomes law.

(m) Nothing in this amendatory Act of 1978, shall be construed to imply that there was previously a requirement to record the notice provided for in this Section.

Sec. 30.5 Conversion of apartments. In the case of the conversion of an apartment building into condominium units, a municipality shall have the right to inspect the apartment building prior to the conversion to condominium units and may require that each new proposed condominium unit comply with the current life safety, building, and zoning codes of the municipality.

Sec. 31 Subdivision or combination of units.

(a) As used in this Section, "combination of any units" means any 2 or more residential units to be used as a single unit as shown on the plat or amended plat, which may involve, without limitation, additional exclusive use of a portion of the common elements within the building adjacent to the combined unit (for example, without limitation, the use of a portion of an adjacent common hallway).

(b) Unless the condominium instruments expressly prohibit the subdivision or combination of any units, and subject to additional limitations provided by the condominium instruments, the owner or owners may, at their own expense, subdivide or combine and locate or relocate common elements affected or required thereby, in accordance with the provisions of the condominium instruments and the requirements of this Act. The owner or owners shall make written application to the board of managers, requesting an amendment to the condominium instruments, setting forth in the application a proposed reallocation to the new units of the percentage interest in the common elements, and setting forth whether the limited common elements, if any, previously assigned to the unit to be subdivided should be assigned to each new unit or to fewer than all of the new units created and requesting, if desired in the event of a combination of any units, that the new unit be granted the exclusive right to use as a limited common element, a portion of the common elements within the building adjacent to the new unit. If the transaction is approved by a majority of the board of managers, it shall be effective upon (1) recording of an amendment to condominium instruments in accordance with the provisions of Sections 5 and 6 of this Act, and (2) execution by the owners of the units involved.

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

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

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

(d) If the combined unit is divided, part of the original combined unit is sold, and the grant of the exclusive right to use as a limited common element is no longer necessary, practical, or appropriate for the use and enjoyment of the owner or owners of the original combined unit, the board may terminate the grant of the exclusive right to use as a limited common element and require that the owner or owners of the original combined unit restore the common area to its condition prior to the grant of the exclusive right to use as a limited common element. If the combined unit is sold without being divided, the grant of the exclusive right to use as a limited common element shall apply to the new owner or owners of the combined unit, who shall assume the rights and responsibilities of the original owner or owners.

(e) Under this Section, the exclusive right to use as a limited common element any portion of

the common elements that is not necessary or practical for use by the owners of any other units is not a diminution of the ownership interests of all other unit owners requiring unanimous consent of all unit owners under subsection (e) of Section 4 of this Act or any percentage set forth in the condominium instruments.

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

Sec. 32 Alternate dispute resolution; mediation; arbitration.

(a) The declaration or bylaws of a condominium association may require mediation or arbitration of disputes in which the matter in controversy has either no specific monetary value or a value of $10,000 or less, other than the levying and collection of assessments, or that arises out of violations of the declaration, bylaws, or rules and regulations of the condominium association. A dispute not required to be mediated or arbitrated by an association pursuant to its powers under this Section, that is submitted to mediation or arbitration by the agreement of the disputants, is also subject to this Section.

(b) The Illinois Uniform Arbitration Act shall govern all arbitrations proceeding under this Section.

(b-5) The Uniform Mediation Act shall govern all mediations proceeding under this Section.

(c) The association may require the disputants to bear the costs of mediation or arbitration.

Sec. 33 Limitations on the use of smoking cannabis. The condominium instruments of an association may prohibit or limit the smoking of cannabis, as the term “smoking” is defined in the Cannabis Regulation and Tax Act, within a unit owner’s unit. The condominium instruments and rules and regulations shall not otherwise restrict the consumption of cannabis by any other method within a unit owner’s unit, or the limited common elements, but may restrict any form of consumption on the common elements.

Sec. 35 Compliance with the Condominium and Common Interest Community Ombudsperson Act. Every unit owners’ association must comply with the Condominium and Common Interest Community Ombudsperson Act and is subject to all provisions of the Condominium and Common Interest Community Ombudsperson Act. This Section is repealed January 1, 2024.

ILLINOIS COMMON INTEREST COMMUNITY ASSOCIATION ACT
TABLE OF CONTENTS

DISCLAIMER

The information contained in this booklet is subject to change as the laws contained herein are continually being amended and supplemented by the legislature. Furthermore, this booklet is for informational purposes only and is not intended to provide legal advice. Please consult an attorney to discuss any specific legal matters.

ILLINOIS COMMON INTEREST COMMUNITY ASSOCIATION ACT

Sec. 1-1 Short title. This Article may be cited as the Common Interest Community Association Act, and references in this Article to "this Act" mean this Article.

Sec. 1-5 Definitions. As used in this Act, unless the context otherwise requires:

"Acceptable technological means" includes, without limitation, electronic transmission over the Internet or other network, whether by direct connection, intranet, telecopier, electronic mail, and any generally available technology that, by rule of the association, is deemed to provide reasonable security, reliability, identification, and verifiability.

"Association" or "common interest community association" means the association of all the members of a common interest community, acting pursuant to bylaws or an operating agreement through its duly elected board of managers or board of directors.

"Board" means a common interest community association's board of managers or board of directors, whichever is applicable.

"Board member" or "member of the board" means a member of the board of managers or the board of directors, whichever is applicable.

"Board of directors" means, for a common interest community that has been incorporated as an Illinois not-for-profit corporation, the group of people elected by the members of a common interest community as the governing body to exercise for the members of the common interest community association all powers, duties, and authority vested in the board of directors under this Act and the common interest community association's declaration and bylaws.

"Board of managers" means, for a common interest community that is an unincorporated association or organized as a limited liability company, the group of people elected by the members of a common interest community as the governing body to exercise for the members of the common interest community association all powers, duties, and authority vested in the board of managers under this Act and the common interest community association's declaration, bylaws, or operating agreement.

"Building" means all structures, attached or unattached, containing one or more units.

"Common areas" means the portion of the property other than a unit.

"Common expenses" means the proposed or actual expenses affecting the property, including reserves, if any, lawfully assessed by the common interest community association.

"Common interest community" means real estate other than a condominium or cooperative with respect to which any person by virtue of his or her ownership of a partial interest or a unit therein is obligated to pay for the maintenance, improvement, insurance premiums or real estate taxes of common areas described in a declaration which is administered by an association. "Common interest community" may include, but not be limited to, an attached or detached townhome, villa, or single-family home. A "common interest community" does not include a master association.

"Community instruments" means all documents and authorized amendments thereto recorded by a developer or common interest community association, including, but not limited to, the declaration, bylaws, operating agreement, plat of survey, and rules and regulations.

"Declaration" means any duly recorded instruments, however designated, that have created a common interest community and any duly recorded amendments to those instruments.

"Developer" means any person who submits property legally or equitably owned in fee simple by the person to the provisions of this Act, or any person who offers units legally or equitably owned in fee simple by the person for sale in the ordinary course of such person's business, including any successor to such person's entire interest in the property other than the purchaser of an individual unit.

"Developer control" means such control at a time prior to the election of the board of the common interest community association by a majority of the members other than the developer.

"Electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a

recipient and that may be directly reproduced in paper form by the recipient through an automated process.

"Majority" or "majority of the members" means the owners of more than 50% in the aggregate in interest of the undivided ownership of the common elements. Any specified percentage of the members means such percentage in the aggregate in interest of such undivided ownership. "Majority" or "majority of the members of the board of the common interest community association" means more than 50% of the total number of persons constituting such board pursuant to the bylaws or operating agreement. Any specified percentage of the members of the common interest community association means that percentage of the total number of persons constituting such board pursuant to the bylaws or operating agreement.

"Management company" or "community association manager" means a person, partnership, corporation, or other legal entity entitled to transact business on behalf of others, acting on behalf of or as an agent for an association for the purpose of carrying out the duties, responsibilities, and other obligations necessary for the day to day operation and management of any property subject to this Act.

"Meeting of the board" or "board meeting" means any gathering of a quorum of the members of the board of the common interest community association held for the purpose of conducting board business.

"Member" means the person or entity designated as an owner and entitled to one vote as defined by the community instruments. The terms "member" and "unit owner" may be used interchangeably as defined by the community instruments, except in situations in which a matter of legal title to the unit is involved or at issue, in which case the term "unit owner" would be the applicable term used.

"Membership" means the collective group of members entitled to vote as defined by the community instruments.

"Parcel" means the lot or lots or tract or tracts of land described in the declaration as part of a common interest community.

"Person" means a natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

"Plat" means a plat or plats of survey of the parcel and of all units in the common interest community, which may consist of a three-dimensional horizontal and vertical delineation of all such units, structures, easements, and common areas on the property.

"Prescribed delivery method" means mailing, delivering, posting in an association publication that is routinely mailed to all members, electronic transmission, or any other delivery method that is approved in writing by the member and authorized by the community instruments.

"Property" means all the land, property, and space comprising the parcel, all improvements and structures erected, constructed or contained therein or thereon, including any building and all easements, rights, and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit, or enjoyment of the members, under the authority or control of a common interest community association.

"Purchaser" means any person or persons, other than the developer, who purchase a unit in a bona fide transaction for value.

"Record" means to record in the office of the recorder of the county wherein the property is located.

"Reserves" means those sums paid by members which are separately maintained by the common interest community association for purposes specified by the declaration and bylaws of the common interest community association.

"Unit" means a part of the property designed and intended for any type of independent use.

"Unit owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a unit.

Sec. 1-10 Applicability. Unless expressly provided otherwise herein, the provisions of this Act are applicable to all common interest community associations in this State.

Sec. 1-15 Construction, Interpretation, and Validity of Community Instruments.

(a) Except to the extent otherwise provided by the declaration or other community instruments, the terms defined in Section 1-5 of this Act shall be deemed to have the meaning specified therein unless the context otherwise requires.

(b) (Blank)

(c) A provision in the declaration limiting ownership, rental, or occupancy of a unit to a person 55 years of age or older shall be valid and deemed not to be in violation of Article 3 of the Illinois Human Rights Act provided that the person or the immediate family of a person owning, renting, or lawfully occupying such unit prior to the recording of the initial declaration shall not be deemed to be in violation of such age restriction so long as they continue to own or reside in such unit.

(d) Every common interest community association shall define a member and its relationship to the units or unit owners in its community instruments.

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

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

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

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

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

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

Sec. 1-25 Board of managers, board of directors, duties, elections, and voting.

(a) Elections shall be held in accordance with the community instruments, provided that an election shall be held no less frequently than once every 24 months, for the board of managers or board of directors from among the membership of a common interest community association.

(b) (Blank)

(c) The members of the board shall serve without compensation, unless the community instruments indicate otherwise.

(d) No member of the board or officer shall be elected for a term of more than 4 years, but officers and board members may succeed themselves.

(e) If there is a vacancy on the board, the remaining members of the board may fill the vacancy by a two-thirds vote of the remaining board members until the next annual meeting of the membership or until members holding 20% of the votes of the association request a meeting of the members to fill the vacancy for the balance of the term. A meeting of the members shall be called for purposes of filling a vacancy on the board no later than 30 days following the filing of a petition signed by membership holding 20% of the votes of the association requesting such a

meeting.

(f) There shall be an election of a:

(1) president from among the members of the board, who shall preside over the meetings of the board and of the membership;

(2) secretary from among the members of the board, who shall keep the minutes of all meetings of the board and of the membership and who shall, in general, perform all the duties incident to the office of secretary; and

(3) treasurer from among the members of the board, who shall keep the financial records and books of account.

(g) If no election is held to elect board members within the time period specified in the bylaws, or within a reasonable amount of time thereafter not to exceed 90 days, then 20% of the members may bring an action to compel compliance with the election requirements specified in the bylaws or operating agreement. If the court finds that an election was not held to elect members of the board within the required period due to the bad faith acts or omissions of the board of managers or the board of directors, the members shall be entitled to recover their reasonable attorney's fees and costs from the association. If the relevant notice requirements have been met and an election is not held solely due to a lack of a quorum, then this subsection (g) does not apply.

(h) Where there is more than one owner of a unit and there is only one member vote associated with that unit, if only one of the multiple owners is present at a meeting of the membership, he or she is entitled to cast the member vote associated with that unit.

(h-5) A member may vote:

(1) by proxy executed in writing by the member or by his or her duly authorized attorney in fact, provided, however, that the proxy bears the date of execution. Unless the community instruments or the written proxy itself provide otherwise, proxies will not be valid for more than 11 months after the date of its execution; or

(2) by submitting an association-issued ballot in person at the election meeting; or

(3) by submitting an association-issued ballot to the association or its designated agent by mail or other means of delivery specified in the declaration or bylaws; or

(4) by any electronic or acceptable technological means.

Votes cast under any paragraph of this subsection (h-5) are valid for the purpose of establishing a quorum.

(i) The association may, upon adoption of the appropriate rules by the board, conduct elections by electronic or acceptable technological means. Members may not vote by proxy in board elections. Instructions regarding the use of electronic means or acceptable technological means for voting shall be distributed to all members not less than 10 and not more than 30 days before the election meeting. The instruction notice must include the names of all candidates who have given the board or its authorized agent timely written notice of their candidacy and must give the person voting through electronic or acceptable technological means the opportunity to cast votes for candidates whose names do not appear on the ballot. The board rules shall provide and the instructions provided to the member shall state that a member who submits a vote using electronic or acceptable technological means may request and cast a ballot in person at the election meeting, and thereby void any vote previously submitted by that member.

(j) Upon proof of purchase, the purchaser of a unit from a seller other than the developer pursuant to an installment contract for purchase shall, during such times as he or she resides in the unit, be counted toward a quorum for purposes of election of members of the board at any meeting of the membership called for purposes of electing members of the board, shall have the right to vote for the members of the board of the common interest community association and to be elected to and serve on the board unless the seller expressly retains in writing any or all of such rights.

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

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

(b) A common interest community association may not enter into a contract with a current

board member, or with a corporation, limited liability company, or partnership in which a board member or a member of his or her immediate family has 25% or more interest, unless notice of intent to enter into the contract is given to members within 20 days after a decision is made to enter into the contract and the members are afforded an opportunity by filing a petition, signed by 20% of the membership, for an election to approve or disapprove the contract; such petition shall be filed within 20 days after such notice and such election shall be held within 30 days after filing the petition. For purposes of this subsection, a board member's immediate family means the board member's spouse, parents, siblings, and children.

(c) The bylaws or operating agreement shall provide for the maintenance, repair, and replacement of the common areas and payments therefor, including the method of approving payment vouchers.

(d) (Blank)

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

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

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

(h) Other than attorney's fees and court or arbitration costs, no fees pertaining to the collection of a member's or unit owner's financial obligation to the association, including fees charged by a manager or managing agent, shall be added to and deemed a part of a member's or unit owner's respective share of the common expenses unless: (i) the managing agent fees relate to the costs to collect common expenses for the association; (ii) the fees are set forth in a contract between the managing agent and the association; and (iii) the authority to add the management fees to a member's or unit owner's respective share of the common expenses is specifically stated in the declaration, bylaws, or operating agreement of the association.

(i) Board records.

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

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

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

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

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

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

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

(vii) Any reserve study.

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

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

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

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

Sec. 1-35 Member powers, duties, and obligations.

(a) The provisions of this Act, the declaration, bylaws, other community instruments, and rules and regulations that relate to the use of an individual unit or the common areas shall be applicable to any person leasing a unit and shall be deemed to be incorporated in any lease executed or renewed on or after the effective date of this Act. Unless otherwise provided in the community instruments, with regard to any lease entered into subsequent to the effective date of this Act, the unit owner leasing the unit shall deliver a copy of the signed lease to the association or if the lease is oral, a memorandum of the lease, not later than the date of occupancy or 10 days after the lease is signed, whichever occurs first.

(b) If there are multiple owners of a single unit, only one of the multiple owners shall be eligible to serve as a member of the board at any one time, unless the unit owner owns another unit independently.

(c) Two-thirds of the membership may remove a board member as a director at a duly called special meeting.

(d) In the event of any resale of a unit in a common interest community association by a member or unit owner other than the developer, the board shall make available for inspection to the prospective purchaser, upon demand, the following:

(1) A copy of the declaration, other instruments, and any rules and regulations.

(2) A statement of any liens, including a statement of the account of the unit setting forth the amounts of unpaid assessments and other charges due and owing.

(3) A statement of any capital expenditures anticipated by the association within the current or succeeding 2 fiscal years.

(4) A statement of the status and amount of any reserve or replacement fund and any other fund specifically designated for association projects.

(5) A copy of the statement of financial condition of the association for the last fiscal year for which such a statement is available.

(6) A statement of the status of any pending suits or judgments in which the association is a party.

(7) A statement setting forth what insurance coverage is provided for all members or unit owners by the association for common properties.

The principal officer of the board or such other officer as is specifically designated shall furnish the above information within 30 days after receiving a written request for such information.

A reasonable fee covering the direct out-of-pocket cost of copying and providing such information may be charged by the association or the board to the unit seller for providing the information.

Sec. 1-40 Meetings.

(a) Notice of any membership meeting shall be given detailing the time, place, and purpose of

such meeting no less than 10 and no more than 30 days prior to the meeting through a prescribed delivery method.

(b) Meetings.

(1) Twenty percent of the membership shall constitute a quorum, unless the community instruments indicate a lesser amount.

(2) The membership shall hold an annual meeting. The board of directors may be elected at the annual meeting.

(3) Special meetings of the board may be called by the president, by 25% of the members of the board, or by any other method that is prescribed in the community instruments. Special meetings of the membership may be called by the president, board, 20% of the membership, or any other method that is prescribed in the community instruments.

(4) Except to the extent otherwise provided by this Act, the board shall give the members notice of all board meetings at least 48 hours prior to the meeting by sending notice by using a prescribed delivery method or by posting copies of notices of meetings in entranceways, elevators, or other conspicuous places in the common areas of the common interest community at least 48 hours prior to the meeting except where there is no common entranceway for 7 or more units, the board may designate one or more locations in the proximity of these units where the notices of meetings shall be posted. The board shall give members notice of any board meeting, through a prescribed delivery method, concerning the adoption of (i) the proposed annual budget, (ii) regular assessments, or (iii) a separate or special assessment within 10 to 60 days prior to the meeting, unless otherwise provided in Section 1-45 (a) or any other provision of this Act.

(5) Meetings of the board shall be open to any unit owner, except that the board may close any portion of a noticed meeting or meet separately from a noticed meeting: (i) to discuss litigation when an action against or on behalf of the particular association has been filed and is pending in a court or administrative tribunal, or when the common interest community association finds that such an action is probable or imminent, (ii) to discuss third party contracts or information regarding appointment, employment, engagement, or dismissal of an employee, independent contractor, agent, or other provider of goods and services, (iii) to interview a potential employee, independent contractor, agent, or other provider of goods and services, (iv) to discuss violations of rules and regulations of the association, (v) to discuss a member's or unit owner's unpaid share of common expenses, or (vi) to consult with the association's legal counsel. Any vote on these matters shall be taken at a meeting or portion thereof open to any member.

(6) The board must reserve a portion of the meeting of the board for comments by members; provided, however, the duration and meeting order for the member comment period is within the sole discretion of the board.

Sec. 1-45 Finances.

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

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

(c) If an adopted budget or any separate assessment adopted by the board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year, the common interest community association, upon written petition by members with 20% of the votes of the association delivered to the board within 14 days of the board action, shall call a

meeting of the members within 30 days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the members are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.

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

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

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

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

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

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

Sec. 1-47 Successor developers. Any assignment of a developer’s interest in the property is not effective until the successor: (i) obtains the assignment in writing; and (ii) records the assignment.

Sec. 1-50 Administration of property prior to election of the initial board of directors.

(a) Until the election of the initial board whose declaration is recorded on or after the effective date of this Act, the same rights, titles, powers, privileges, trusts, duties, and obligations that are vested in or imposed upon the board by this Act or in the declaration or other duly recorded covenant shall be held and performed by the developer.

(b) The election of the initial board, whose declaration is recorded on or after the effective date of this Act, shall be held not later than 60 days after the conveyance by the developer of 75% of the units, or 3 years after the recording of the declaration, whichever is earlier. The developer shall give at least 21 days’ notice of the meeting to elect the initial board of directors and shall upon request provide to any member, within 3 working days of the request, the names, addresses, and weighted vote of each member entitled to vote at the meeting. Any member shall, upon receipt of the request, be provided with the same information, within 10 days after the request, with respect to each subsequent meeting to elect members of the board of directors.

(c) If the initial board of a common interest community association whose declaration is recorded on or after the effective date of this Act is not elected by the time established in subsection (b), the developer shall continue in office for a period of 30 days, whereupon written notice of his or her resignation shall be sent to all of the unit owners or members.

(d) Within 60 days following the election of a majority of the board, other than the developer, by members, the developer shall deliver to the board:

(1) All original documents as recorded or filed pertaining to the property, its administration, and the association, such as the declaration, articles of incorporation, articles of organization, other instruments, annual reports, minutes, rules and regulations, and contracts, leases, or other agreements entered into by the association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the developer, or an officer or agent of the developer, as being a complete copy of the actual document recorded or filed.

(2) A detailed accounting by the developer, setting forth the source and nature of receipts

and expenditures in connection with the management, maintenance, and operation of the property, copies of all insurance policies, and a list of any loans or advances to the association which are outstanding.

(3) Association funds, which shall have been at all times segregated from any other moneys of the developer.

(4) A schedule of all real or personal property, equipment, and fixtures belonging to the association, including documents transferring the property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies, and all tax bills.

(5) A list of all litigation, administrative action, and arbitrations involving the association, any notices of governmental bodies involving actions taken or which may be taken concerning the association, engineering and architectural drawings and specifications as approved by any governmental authority, all other documents filed with any other governmental authority, all governmental certificates, correspondence involving enforcement of any association requirements, copies of any documents relating to disputes involving members or unit owners, and originals of all documents relating to everything listed in this paragraph.

(6) If the developer fails to fully comply with this subsection (d) within the 60 days provided and fails to fully comply within 10 days after written demand mailed by registered or certified mail to his or her last known address, the board may bring an action to compel compliance with this subsection (d). If the court finds that any of the required deliveries were not made within the required period, the board shall be entitled to recover its reasonable attorney's fees and costs incurred from and after the date of expiration of the 10-day demand.

(e) With respect to any common interest community association whose declaration is recorded on or after the effective date of this Act, any contract, lease, or other agreement made prior to the election of a majority of the board other than the developer by or on behalf of members or underlying common interest community association, the association or the board, which extends for a period of more than 2 years from the recording of the declaration, shall be subject to cancellation by more than one-half of the votes of the members, other than the developer, cast at a special meeting of members called for that purpose during a period of 90 days prior to the expiration of the 2-year period if the board is elected by the members, otherwise by more than one-half of the underlying common interest community association board. At least 60 days prior to the expiration of the 2-year period, the board or, if the board is still under developer control, the developer shall send notice to every member notifying them of this provision, of what contracts, leases, and other agreements are affected, and of the procedure for calling a meeting of the members or for action by the board for the purpose of acting to terminate such contracts, leases or other agreements. During the 90-day period the other party to the contract, lease, or other agreement shall also have the right of cancellation.

(f) The statute of limitations for any actions in law or equity that the board may bring shall not begin to run until the members have elected a majority of the members of the board.

Sec. 1-55 Fidelity insurance. An association with 30 or more units shall obtain and maintain fidelity insurance covering persons who control or disburse funds of the association for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody or control of the association. All management companies which are responsible for the funds held or administered by the association shall maintain and furnish to the association a fidelity bond for the maximum amount of coverage that is commercially available or reasonably required to protect funds in the custody of the management company at any time. The association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the association and a management company.

Sec. 1-60 Errors, omissions, and inconsistencies.

(a) If a provision of the community instruments does not conform to this Act or to another applicable law because of an error, omission, or inconsistency in the community instruments of the association, the association may correct the error, omission, or inconsistency to conform the community instruments to this Act or to another applicable law by an amendment adopted by vote of two-thirds of the board of directors, without a membership vote. A provision in the community instruments requiring members of record to vote to approve an amendment to the community instruments, or for the members of record to be given notice of an amendment to the community instruments, does not apply to an amendment that corrects an omission, error, or

inconsistency to conform the community instruments to this Act or to another applicable law.

(b) If, through a scrivener's error, a unit has not been designated as owning an appropriate undivided share of the common areas or does not bear an appropriate share of the common expenses, or if all of the common expenses or all of the common elements have not been distributed in the declaration, so that the sum total of the shares of common areas which have been distributed or the sum total of the shares of the common expenses fail to equal 100%, or if it appears that more than 100% of the common elements or common expenses have been distributed, the error may be corrected by operation of law by filing an amendment to the declaration, approved by vote of two-thirds of the members of the board or a majority of the members at a meeting called for that purpose, which proportionately adjusts all percentage interests so that the total is equal to 100%, unless the declaration specifically provides for a different procedure or different percentage vote by the owners of the units and the owners of mortgages thereon affected by modification being made in the undivided interest in the common areas, the number of votes in the association or the liability for common expenses appertaining to the unit.

(c) If a scrivener's error in the declaration or other instrument is corrected by vote of two-thirds of the members of the board pursuant to the authority established in subsection (a) or subsection (b), the board, upon written petition by members with 20% of the votes of the association received within 30 days of the board action, shall call a meeting of the members within 30 days of the filing of the petition to consider the board action. Unless a majority of the votes of the members of the association are cast at the meeting to reject the action, it is ratified whether or not a quorum is present.

(d) Nothing contained in this Section shall be construed to invalidate any provision of a declaration authorizing the developer to amend an instrument prior to the latest date on which the initial membership meeting of the members must be held, whether or not it has actually been held, to bring the instrument into compliance with the legal requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Department of Veterans Affairs, or their respective successors and assigns.

Sec. 1-65 Management company. A management company holding reserve funds of an association shall at all times maintain a separate account for each association, unless by contract the board of managers of the association authorizes a management company to maintain association reserves in a single account with other associations for investment purposes. With the consent of the board of managers of the association, the management company may hold all operating funds of associations which it manages in a single operating account, but shall at all times maintain records identifying all moneys of each association in such operating account. Such operating and reserve funds held by the management company for the association shall not be subject to attachment by any creditor of the management company. A management company that provides common interest community association management services for more than one common interest community association shall maintain separate, segregated accounts for each common interest community association. The funds shall not, in any event, be commingled with funds of the management company, the firm of the management company, or any other common interest community association. The maintenance of these accounts shall be custodial, and the accounts shall be in the name of the respective common interest community association.

Sec. 1-70 Display of American flag or military flag.

(a) Notwithstanding any provision in the declaration, bylaws, community instruments, rules, regulations, or agreements or other instruments of a common interest community association or a board's construction of any of those instruments, a board may not prohibit the display of the American flag or a military flag, or both, on or within the limited common areas and facilities of a unit owner or on the immediately adjacent exterior of the building in which the unit of a unit owner is located. A board may adopt reasonable rules and regulations, consistent with Sections 4 through 10 of Chapter 1 of Title 4 of the United States Code, regarding the placement and manner of display of the American flag and a board may adopt reasonable rules and regulations regarding the placement and manner of display of a military flag. A board may not prohibit the installation of a flagpole for the display of the American flag or a military flag, or both, on or within the limited common areas and facilities of a unit owner or on the immediately adjacent exterior of the building

in which the unit of a unit owner is located, but a board may adopt reasonable rules and regulations regarding the location and size of flagpoles.

(b) As used in this Section:

"American flag" means the flag of the United States (as defined in Section 1 of Chapter 1 of Title 4 of the United States Code and the Executive Orders entered in connection with that Section) made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "American flag" does not include a depiction or emblem of the American flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

"Military flag" means a flag of any branch of the United States armed forces or the Illinois National Guard made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "military flag" does not include a depiction or emblem of a military flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

Sec. 1-71 Heating and cooling standards.

(a) When a common interest community building has a cooling system or heating system or both serving the entire building, including individual units, the association shall comply with the following standards with respect to the individual units in which people live:

(1) During the cooling season, June 1 through September 30, cooling systems must operate when the heat index exceeds 80 degrees Fahrenheit.

(2) During the heating season, October 1 through May 31; (i) between 6 a.m. and 10 p.m., heat must register at least 68 degrees Fahrenheit when the outside temperature falls below 55 degrees Fahrenheit, and (ii) between 10 p.m. and 6 a.m., heat must register at least 62 degrees Fahrenheit.

(b) When a common interest community building does not have a building-wide cooling system that serves individual units, then the association shall provide at least one indoor common gathering space for which a cooling system operates when the heat index exceeds 80 degrees Fahrenheit. All occupants of the building shall have free access to that cooled space. As used in this subsection, "indoor common gathering space" means a room intended to be used as a place where multiple people can gather, such as a lounge, meeting or conference room, party room, or similar that can accommodate a cooling system. Any common interest community building that does not have an indoor common gathering space shall be exempt from this subsection.

(c) This Section only applies to associations in which the initial declaration limits ownership, rental, or occupancy of a unit to a person 55 years of age or older.

Sec. 1-75 Exemptions for small common interest communities.

(a) A common interest community association organized under the General Not for Profit Corporation Act of 1986 and having either (i) 10 units or less or (ii) annual budgeted assessments of $100,000 or less shall be exempt from this Act unless the association affirmatively elects to be covered by this Act by a majority of its directors or members.

(b) Common interest community associations which in their declaration, bylaws, or other governing documents provide that the association may not use the courts or an arbitration process to collect or enforce assessments, fines, or similar levies and common interest community associations (i) of 10 units or less or (ii) having annual budgeted assessments of $50,000 or less shall be exempt from subsection (a) of Section 1-30, subsections (a) and (b) of Section 1-40, and Section 1-55 but shall be required to provide notice of meetings to members in a manner and at a time that will allow members to participate in those meetings.

Sec. 1-80 Compliance. A common interest community association shall be in full compliance with the provisions of this Act no later than January 1, 2012.

Sec. 1-85 Use of technology.

(a) Any notice required to be sent or received or signature, vote, consent, or approval required to be obtained under any community instrument or any provision of this Act may be accomplished using acceptable technology means. This Section governs the use of technology in implementing

the provisions of any community instrument or any provision of this Act concerning notices, signatures, votes, consents, or approvals.

(b) The common interest community association, unit owners, and other persons entitled to occupy a unit may perform any obligation or exercise any right under any community instrument or any provision of this Act by use of acceptable technological means.

(c) A signature transmitted by acceptable technological means satisfies any requirement for a signature under any community instrument or any provision of this Act.

(d) Voting on, consent to, and approval of any matter under any community instrument or any provision of this Act may be accomplished by any acceptable technological means, provided that a record is created as evidence thereof and maintained as long as the record would be required to be maintained in nonelectronic form.

(e) Subject to other provisions of law, no action required or permitted by any community instrument or any provision of this Act need be acknowledged before a notary public if the identity and signature of the signatory can otherwise be authenticated to the satisfaction of the board of directors.

(f) If any person does not provide written authorization to conduct business using acceptable technological means, the common interest community association shall, at its expense, conduct business with the person without the use of acceptable technological means.

(g) This Section does not apply to any notices required: (i) under Article IX of the Code of Civil Procedure; or (ii) in connection with foreclosure proceedings in enforcement of any lien rights under this Act.

Sec. 1-90 Compliance with the Condominium and Common Interest Community Ombudsperson Act. Every common interest community association, except for those exempt from this Act under Section 1-75, must comply with the Condominium and Common Interest Community Ombudsperson Act and is subject to all provisions of the Condominium and Common Interest Community Ombudsperson Act. This Section is repealed January 1, 2024.

ILLINOIS CONDOMINIUM AND COMMON INTEREST COMMUNITY OMBUDSPERSON ACT
TABLE OF CONTENTS

DISCLAIMER

The information contained in this booklet is subject to change as the laws contained herein are continually being amended and supplemented by the legislature. Furthermore, this booklet is for informational purposes only and is not intended to provide legal advice. Please consult an attorney to discuss any specific legal matters.

ILLINOIS CONDOMINIUM AND COMMON INTEREST COMMUNITY OMBUDSPERSON ACT

Sec. 1 Short title. This Act may be cited as the Condominium and Common Interest Community Ombudsperson Act.

Sec. 5 Applicability. This Act applies to all condominium associations governed by the Condominium Property Act and all common interest community associations governed by the Common Interest Community Association Act.

Sec. 10 Findings. The General Assembly finds as follows:

(1) Managing condominium property or common interest community property is a complex responsibility. Unit owners and persons charged with managing condominium property or common interest community property may have little or no prior experience in managing real property, operating a not-for-profit association or corporation, complying with the laws governing condominium property or common interest community property, and interpreting and enforcing restrictions and rules imposed by applicable instruments or covenants. Unit owners may not fully understand their rights and obligations under the law or applicable instruments or covenants. Mistakes and misunderstandings are inevitable and may lead to serious, costly, and divisive problems. This Act seeks to educate unit owners, condominium associations, common interest community associations, boards of managers, and boards of directors about the Condominium Property Act and the Common Interest Community Association Act. Effective education can prevent or reduce the severity of problems within a condominium or common interest community.

(2) Anecdotal accounts of abuses within condominiums and common interest communities create continuing public demand for reform of condominium and common interest community property law. This results in frequent changes to the law, making it difficult to understand and apply, and imposes significant transitional costs on these communities statewide. By collecting empirical data on the nature and incidence of problems within these communities, this Act will provide a sound basis for prioritizing reform efforts, thereby increasing the stability of condominium and common interest community property law.

Sec. 15 Definitions. As used in this Act:

"Association" means a condominium association or common interest community association as defined in this Act.

"Board of managers" or "board of directors" means:

(1) a common interest community association's board of managers or board of directors, whichever is applicable; or

(2) a condominium association's board of managers or board of directors, whichever is applicable.

"Common interest community" means a property governed by the Common Interest Community Association Act.

"Common interest community association" has the meaning ascribed to it in Section 1-5 of the Common Interest Community Association Act.

"Condominium" means a property governed by the Condominium Property Act.

"Condominium association" means a unit owners' association as defined in subsection (o) of Section 2 of the Condominium Property Act or a master association as defined in subsection (u) of Section 2 of the Condominium Property Act.

"Declaration" has the meaning ascribed to it in:

(1) Section 1-5 of the Common Interest Community Association Act; or

(2) Section 2 of the Condominium Property Act.

"Department" means the Department of Financial and Professional Regulation.

"Director" means the Director of the Division of Real Estate.

"Division" means the Division of Real Estate within the Department of Financial and Professional Regulation.

"Office" means the Office of the Condominium and Common Interest Community Ombudsperson established under Section 20 of this Act.

"Ombudsperson" means the Condominium and Common Interest Community Ombudsperson named under Section 20 of this Act.

"Person" includes a natural person, firm, association, organization, partnership, business trust, corporation, limited liability company, or public entity.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation.

"Unit" means a part of the condominium property or common interest community property designed and intended for any type of independent use.

"Unit owner" has the meaning ascribed to it in:

(1) subsection (g) of Section 2 of the Condominium Property Act; or

(2) Section 1-5 of the Common Interest Community Association Act.

Sec. 20 Office of the Condominium and Common Interest Community Ombudsperson.

(a) There is created in the Division of Real Estate within the Department of Financial and Professional Regulation, under the supervision and control of the Secretary, the Office of the Condominium and Common Interest Community Ombudsperson.

(b) The department shall name an Ombudsperson and other persons as necessary to discharge the requirements of this Act. The Ombudsperson shall have the powers delegated to him or her by the department, in addition to the powers set forth in this Act.

(c) Neither the Ombudsperson nor the department shall have any authority to consider matters that may constitute grounds for charges or complaints under the Illinois Human Rights Act or that are properly brought before the Department of Human Rights or the Illinois Human Rights Commission, before a comparable department or body established by a county, municipality, or township pursuant to an ordinance prohibiting discrimination and established for the purpose of investigating and adjudicating charges or complaints of discrimination under the ordinance, or before a federal agency or commission that administers and enforces federal anti-discrimination laws and investigates and adjudicates charges or complaints or discrimination under such laws.

(d) Information and advice provided by the Ombudsperson has no binding legal effect and is not subject to the provisions of the Illinois Administrative Procedure Act.

Sec. 25 Training and education. On or before July 1, 2017, the Ombudsperson shall offer training, outreach, and educational materials, and may arrange for the offering of courses to unit owners, associations, boards of managers, and boards of directors in subjects relevant to: (i) the operation and management of condominiums and common interest communities; and (ii) the Condominium Property Act and the Common Interest Community Association Act.

Sec. 30 Website; toll-free number.

(a) The Office shall maintain on the department's website the following information:

(1) the text of this Act, the Condominium Property Act, the Common Interest Community Association Act, and any other statute, administrative rule, or regulation that the Ombudsperson determines is relevant to the operation and management of a condominium association or common interest community association;

(2) information concerning non-judicial resolution of disputes that may arise within a condominium or common interest community, including, but not limited to, alternative dispute resolution programs and contacts for locally-available dispute resolution programs;

(3) a description of the services provided by the Ombudsperson and information on how to contact the Ombudsperson for assistance; and

(4) any other information that the Ombudsperson determines is useful to unit owners, associations, boards of managers, and boards of directors.

(b) The Office may make available during regular business hours a statewide toll-free number to provide information and resources on matters relating to condominium property and common interest community property.

Sec. 35 Written policy for resolving complaints.

(a) Each association, except for those outlined in subsection (b) of this Section, shall adopt a written policy for resolving complaints made by unit owners. The association shall make the policy available to all unit owners upon request. The policy must include:

(1) a sample form on which a unit owner may make a complaint to the association;

(2) a description of the process by which complaints shall be delivered to the association;

(3) the association's timeline and manner of making final determinations in response to a unit owner's complaint; and

(4) a requirement that the final determination made by the association in response to a unit owner's complaint be:

(i) made in writing;

(ii) made within 180 days after the association received the unit owner's original complaint; and

(iii) marked clearly and conspicuously as "final".

(b) Common interest community associations exempt from the Common Interest Community Association Act are not required to have a written policy for resolving complaints.

(c) No later than January 1, 2019, associations, except for those identified in subsection (b) of this Section, must establish and adopt the policy required under this Section.

(d) Associations first created after January 1, 2019, except for those identified in subsection (b) of this Section, must establish and adopt the policy required under this Section within 180 days following creation of the association.

(e) A unit owner may not bring a request for assistance under Section 40 of this Act for an association's lack of or inadequacy of a written policy to resolve complaints, but may notify the department in writing of the association's lack of or inadequacy of a written policy.

Sec. 40 Dispute resolution.

(a) Beginning on July 1, 2020, and subject to appropriation, unit owners meeting the requirements of this Section may make a written request, as outlined in subsection (f) of this Section, to the Ombudsperson for assistance in resolving a dispute between a unit owner and an association that involves a violation of the Condominium Property Act or the Common Interest Community Association Act.

(b) The Ombudsperson shall not accept requests for resolutions of disputes with community association managers, supervising community association managers, or community association management firms, as defined in the Community Association Manager Licensing and Disciplinary Act.

(c) The Ombudsperson shall not accept requests for resolutions of disputes for which there is a pending complaint filed in any court or administrative tribunal in any jurisdiction or for which arbitration or alternative dispute resolution is scheduled to occur or has previously occurred.

(d) The assistance described in subsection (a) of this Section is available only to unit owners. In order for a unit owner to receive the assistance from the Ombudsperson described in subsection (a) of this Section, the unit owner must:

(1) owe no outstanding assessments, fees, or funds to the association, unless the assessments, fees, or funds are central to the dispute;

(2) allege a dispute that was initiated, or initially occurred, within the 2 calendar years preceding the date of the request;

(3) have made a written complaint pursuant to the unit owner's association's complaint policy, as outlined in Section 35, which alleged violations of the Condominium Property Act or the Common Interest Community Association Act;

(4) have received a final and adverse decision from the association and attach a copy of the association's final adverse decision marked "final" to the request to the Ombudsperson; and

(5) have filed the request within 30 days after the receipt of the association's final adverse decision.

(e) A unit owner who has not received a response, marked "final", to his or her complaint from the association within a reasonable time may request assistance from the Ombudsperson pursuant to subsection (a) of this Section if the unit owner meets the requirements of items (1), (2), and (3) of subsection of (d) this Section. A unit owner may not request assistance from the Ombudsperson until at least 90 days after the initial written complaint was submitted to the association. The Ombudsperson may decline a unit owner's request for assistance on the basis that a reasonable time has not yet passed.

(f) The request for assistance shall be in writing, on forms provided electronically by the Office, and include the following:

(1) the name, address, and contact information of the unit owner;

(2) the name, address, and contact information of the association;

(3) the applicable association governing documents unless the absence of governing documents is central to the dispute;

(4) the date of the final adverse decision by the association;

(5) a copy of the association's written complaint policy required under Section 35 of this Act;

(6) a copy of the unit owner's complaint to the association with a specific reference to the alleged violations of the Condominium Property Act or the Common Interest Community Association Act;

(7) documentation verifying the unit owner's ownership of a unit, such as a copy of a recorded deed or other document conferring title; and

(8) a copy of the association's adverse decision marked "final", if applicable.

(g) On receipt of a unit owner's request for assistance that the department determines meets the requirements of this Section, the Ombudsperson shall, within the limits of the available resources, confer with the interested parties and assist in efforts to resolve the dispute by mutual agreement of the parties.

(h) The Ombudsperson shall assist only opposing parties who mutually agree to participate in dispute resolution.

(i) A unit owner is limited to one request for assistance per dispute. The meaning of dispute is to be broadly interpreted by the department.

(j) The department has the authority to determine whether or not a final decision is adverse under paragraph (4) of subsection (d) of this Section.

(k) The department shall, on or before July 1, 2020, establish rules describing the time limit, method, and manner for dispute resolution.

(l) (Blank)

Sec. 45 Confidentiality.

(a) All information collected by the department in the course of addressing a request for assistance or for any other purpose pursuant to this Act shall be maintained for the confidential use of the department and shall not be disclosed. The department shall not disclose the information to anyone other than law enforcement officials or regulatory agencies that have an appropriate regulatory interest as determined by the Secretary. Information and documents disclosed to a federal, State, county, or local law enforcement agency shall not be disclosed by that agency for any purpose to any other agency or person.

(b) A request for information made to the department, or the Ombudsperson, under this Act does not constitute a request under the Freedom of Information Act.

(c) The confidentiality provisions of this Section do not extend to educational, training, and outreach material, statistical data, or operational information maintained by the department in administering this Act.

Sec. 50 Reports. The department shall submit an annual written report on the activities of the Office to the General Assembly. The department shall submit the first report no later than July 1, 2018. Beginning in 2019, the department shall submit the report no later than October 1 of each year. The report shall include all of the following:

(1) annual workload and performance data, including (i) the number of requests for information; (ii) training, education, or other information provided; (iii) the manner in which education and training was conducted; and (iv) the staff time required to provide the training, education, or other information. For each category of data, the report shall provide subtotals based on the type of question or dispute involved in the request; and

(2) where relevant information is available, analysis of the most common and serious types of concerns within condominiums and common interest communities, along with any recommendations for statutory reform to reduce the frequency or severity of those disputes.

Sec. 60 Rules. The department may, from time to time, adopt such rules as are necessary for the administration and enforcement of any provision of this Act. Any rule adopted under this Act is subject to the rulemaking provisions of the Illinois Administrative Procedure Act.

Sec. 65 State Lawsuit Immunity Act. Nothing in this Act shall be construed to constitute a waiver of the immunity of the State, Department, Division, Office, or Ombudsperson, or any officer, employee, or agent thereof under the State Lawsuit Immunity Act.

Sec. 70 Repeal. This Act is repealed on January 1, 2024.

Sec. 999 Effective date. This Act takes effect January 1, 2017.

ASSOCIATION COMPLAINT PROCEDURE

WHEREAS, the Illinois Condominium and Common Interest Community Ombudsperson Act (765 ILCS 615/1, *et. seq.* ("Ombudsperson Act")) requires that each condominium and common interest community association ("Association") which is not exempt from the Common Interest Community Association Act (765 ILCS 160/1, *et. seq.*) adopt a written policy for resolving complaints made by unit owners; and

WHEREAS, on or before January 1, 2019, each association described above must adopt a complaint resolution policy which meets the requirements of Section 35 of the Ombudsperson Act;

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT the association, acting through its board of directors, hereby adopts and establishes the following Ombudsperson Act-mandated Association policy for resolving complaints:

A. Definitions. The following terms shall have the following meanings:

1. "Association" means the unit owners association of a condominium or common interest community.

2. "Association Complaint" means a written complaint filed by a unit owner of the association pursuant to the association complaint procedure. An association complaint (a dispute between a unit owner and an association) shall concern a matter which is not pending in any court of law or equity or administrative tribunal, regarding the alleged or perceived action, inaction or decision by the board of directors, managing agent or association inconsistent with applicable laws and regulations, including but not limited to the association governing documents and rules and regulations, if any, of the Association.

3. "Association Governing Documents" means all documents and authorized amendments thereto recorded by a developer or condominium or common interest community association, including, but not limited to, the declaration, bylaws, articles of organization, operating agreement, plat of survey, and rules and regulations.

4. "Board" means the duly elected board of managers or board of directors of an association.

5. "Complainant" means a unit owner who makes a written complaint pursuant to this association complaint procedure.

6. "Final Determination" means the final decision issued by the association pursuant to this association complaint procedure that shall (1) be made in writing within 180 days after the association received the unit owner's original complaint; and (2) be marked clearly and conspicuously as "final."

7. "Record of Complaint" means all documents, correspondence, and other materials related to a decision made pursuant to this association complaint procedure.

8. "Acceptable Technological Means" includes, without limitation, electronic transmission over the Internet or other network, whether by direct connection, intranet, telecopier, electronic mail, and any generally available technology that, by rule of the association, is deemed to provide reasonable security, reliability, identification, and verifiability.

B. General Provisions

1. The association complaint procedure shall be readily available to all unit owners of the association.

2. The association complaint procedure shall be distributed to all unit owners using the association's established reasonable, effective and free method for communicating with the board.

C. Procedures

1. The association complaint must be in writing.

2. A sample of the form on which to submit an association complaint is available upon request from the association office at [address], or by telephone at [phone number] or by electronic mail at [email address].

3. The completed complaint form shall be hand-delivered, mailed by registered or certified

mail, return receipt requested, or if consistent with the association's established procedure, delivered by acceptable technological means, provided the sender retains sufficient proof of delivery. Delivery shall be made to the President or Secretary of the association or to the Manager at the principal office of the association.

4. The association shall provide written acknowledgement of the receipt of the complaint to the complainant within 7 days or receipt. Such acknowledgement shall be hand-delivered to the complainant, mailed by registered or certified mail, return receipt requested, or if consistent with the association's established procedure, delivered by acceptable technological means, provided the sender retains sufficient proof of the electronic delivery.

D. Contents of Association Complaint

1. The complainant shall provide, with the association complaint, copies of all documents that the complainant believes the board of directors should consider in connection with the association complaint. In addition, to the extent the complainant has knowledge of the law, rule or regulation applicable to the association complaint, the complainant shall provide that reference, as well as the requested action or resolution.

2. If the association identifies additional information necessary for the association to continue processing the association complaint, then, no later than thirty (30) days after the association's receipt of the association complaint, the association shall request such information from the complainant. The request shall be hand-delivered to the complainant or mailed by registered or certified mail, return receipt requested.

3. The request for additional information shall bear a reasonable relationship to the association complaint and not be used to overburden the complainant or frustrate a complainant's efforts to have an association complaint considered by the board. If the additional information requested is not received within the time frame stated in the association's request (such date to be reasonably determined based on the nature of the information requested), and the time frame has not been extended by consent of the board, but in no event shall be beyond thirty (30) days after the request was made or the extended time has expired whichever is later, the association complaint will be deemed withdrawn and the process will terminate.

E. Consideration of Association Complaint and Final Determination

1. The association's Board of Directors shall hold a hearing on the association complaint no less than 30 nor more than 60 days after receiving the association complaint and any additional information it has requested. The board or complainant, or both, may record the hearing by tape, film or other means.

2. Within a reasonable time prior to the consideration of the association complaint, the complainant shall be notified of the date, time and location on and at which the hearing will be held. "Reasonable time" shall not be less than 14 prior to the hearing date. Notice of the date, time, and location for the hearing shall be hand-delivered, mailed by registered or certified mail, return receipt requested, or if consistent with the association's established procedure, delivered by acceptable technological means, provided the sender retains sufficient proof of the electronic delivery.

3. A complainant may, but is not required to be, represented by an attorney. If the complainant chooses to be represented by an attorney, then s/he must notify the board of directors that s/he intends to be represented by an attorney no later than 7 days prior to the hearing date.

4. A complainant may bring witnesses or documents to the hearing in support of his or her association complaint.

5. The final determination of the association shall be contained in a Resolution adopted by the Board at an open meeting in conformance with the association's governing documents. The final determination of the association must be made in writing within 180 days after the association received the complainant's association complaint and marked clearly and conspicuously as "final."

6. Written notice of the Board's final determination shall be hand-delivered or mailed by registered or certified mail, return receipt requested within 7 days of the board's final determination.

7. The association shall maintain a record of each association complaint it receives for at least 7 years following adoption of the Board's Resolution setting forth the final determination with respect to that association complaint.

[Name of Association]
WRITTEN COMPLAINT FORM

The board of directors has adopted this Association Complaint form for Association members (e.g. unit owners) to file written Complaints with the board about violations of the Association's Declaration, Bylaws, Rules and Regulations or applicable Illinois law.

1. Name the document and the paragraph number violated. Please select all that apply. If "Other," please specify.

- □ Declaration
- □ Bylaws
- □ Rules
- □ Condominium Property Act
- □ Common Interest Community Association Act
- □ Illinois General Not for Profit Corporation Act
- □ Other (please specify)

2. Legibly describe the Complaint (e.g. denied access to records, violation of bylaws), as well as the requested action or resolution of the issues described in the Complaint. Please include references to the specific facts and circumstances at issue and the provisions of the Association's Declaration, Bylaws, Rules and Regulations and/or the provisions of Illinois laws that support the Complaint. If there is insufficient space, please attach a separate sheet of paper to this Complaint form. Also, attach any supporting documents, correspondence and other materials related to the Complaint.

_____

_____

3. Explain in what way anyone violated the section, in the order that things happened, starting from the beginning. If there is insufficient space, please attach a separate sheet of paper to this Complaint form.

_____

_____

4. Describe, explain and attach any documents or other evidence that supports your Complaint. If there is insufficient space, please attach a separate sheet of paper to this Complaint form.

_____

_____

_____

5. Please describe what you want the board to do to solve your Complaint. If there is insufficient space, please attach a separate sheet of paper to this Complaint form.

_____

_____

Printed Name Email Address

Mailing Address

Unit/Lot Address

Phone Cell

Contact Preference: □ Phone □ Cell Phone □ Email

Signature _____ Date _____

EXCERPTS FROM THE ILLINOIS GENERAL NOT-FOR-PROFIT CORPORATION ACT OF 1986
TABLE OF CONTENTS

DISCLAIMER

The information contained in this booklet is subject to change as the laws contained herein are continually being amended and supplemented by the legislature. Furthermore, this booklet is for informational purposes only and is not intended to provide legal advice. Please consult an attorney to discuss any specific legal matters.

EXCERPTS FROM THE ILLINOIS GENERAL NOT-FOR-PROFIT CORPORATION ACT OF 1986

NOTE: To the extent that the Illinois Condominium Property Act or the Illinois Common Interest Community Association Act specifically provides for a different way to handle a matter, that provision overrides any contrary provision of the General Not-For-Profit Corporation Act of 1986. To the extent that the General Not-For-Profit Corporation Act of 1986 supplements or is not inconsistent with either the Illinois Condominium Property Act or the Illinois Common Interest Community Association Act, then that provision of the General Not-For-Profit Corporation Act of 1986 would be applied.

Sec. 101.80(p) Electronic means. Unless otherwise prohibited by the articles of incorporation or the bylaws of the corporation, actions required to be "written", to be "in writing", to have "written consent", to have "written approval" and the like by or of members, directors, or committee members shall include any communication transmitted or received by electronic means.

Sec. 102.25 Bylaws. The initial bylaws of a corporation shall be adopted by its board of directors. The power to alter, amend or repeal the bylaws or adopt new bylaws shall be vested in the board of directors unless otherwise provided in the articles of incorporation or the bylaws. The bylaws may contain any provisions for the regulation and management of the affairs of a corporation not inconsistent with law or the articles of incorporation.

Sec. 103.10 General powers. Each corporation shall have power:

(a) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation;

(b) To sue and be sued, complain and defend, in its corporate name, and shall have standing to sue when one or more its members would otherwise have standing to sue in his or her own right, providing the interests it seeks to protect are germane to the corporation's purposes, and neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit;

(c) To have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced, provided that the affixing of a corporate seal to an instrument shall not give the instrument additional force or effect, or change the construction thereof, and the use of a corporate seal is not mandatory;

(d) To purchase, take, receive, lease as lessee, take by gift, devise, or bequest, or otherwise acquire, and to own, hold, hold as trustee, use, and otherwise deal in and with any real or personal property, or any interest therein, situated in or out of this State;

(e) To sell and convey, mortgage, pledge, lease as lessor, and otherwise dispose of all or any part of its property and assets;

(f) To lend money to its officers, employees and agents except as limited by Section 108.80 of this Act;

(g) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships or individuals;

(h) To incur liabilities, to borrow money for its corporate purposes at such rates of interest as the corporation may determine without regard to the restrictions of any usury law of this State, to issue its notes, bonds and other obligations; to secure and of its obligations by mortgage, pledge, or deed of trust of all or any of its property, franchises, and income; and to make contracts, including contracts of guaranty and suretyship;

(i) To invest its funds from time to time and to lend money for its corporate purposes, and to take and hold real and personal property as security for the payment of funds so invested or loaned;

(j) To conduct its affairs, carry on its operations, and have offices within and without this State and to exercise in any other state, territory, district, or possession of the United States, or in any

foreign country, the powers granted by this Act;

(k) To elect or appoint officers and agents of the corporation, and define their duties and fix their compensations;

(l) To make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of this State, except as provided in Section 102.30 of this Act, for the administration and regulation of the affairs of the corporation;

(m) To make donations in furtherance of any of its purposes; to lend money to the State or Federal government; and to conduct any lawful affairs in aid of the United States;

(n) To cease its corporate activities and surrender its corporate franchise;

(o) To establish deferred compensation plans, pension plans, and other incentive plans for its directors, officers and employees and to make the payments provided for therein;

(p) To indemnify its directors, officers, employees or agents in accordance with and to the extent permitted in Section 108.75 of this Act and other applicable provisions of law;

(q) To be a promoter, partner, member, associate or manager of any partnership, joint venture or other enterprise; and

(r) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed.

Sec. 103.20 Unauthorized assumption of corporate powers. All persons who assume to exercise corporate powers without authority to so do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof**.**

Sec. 103.30 Homeowners' association; American flag or military flag.

(a) Notwithstanding any provision in the association's declaration, covenants, bylaws, rules, regulations, or other instruments or any construction of any of those instruments by an association's board of directors, a homeowners' association incorporated under this Act may not prohibit the outdoor display of the American flag or a military flag, or both, by a homeowner on that homeowner's property if the American flag is displayed in a manner consistent with Sections 4 through 10 of Chapter 1 of Title 4 of the United States Code and a military flag is displayed in accordance with any reasonable rules and regulations adopted by the association. An association may adopt reasonable rules and regulations, consistent with Sections 4 through 10 of Chapter 1 of Title 4 of the United States Code, regarding the placement and manner of display of the American flag and an association may adopt reasonable rules and regulations regarding the placement and manner of display of a military flag. An association may not prohibit the installation of a flagpole for the display of the American flag or a military flag, or both, but the association may adopt reasonable rules and regulations regarding the location and size of flagpoles.

(b) As used in this Section:

"American flag" means the flag of the United States (as defined in Section 1 of Chapter 1 of Title 4 of the United States Code and the Executive Orders entered in connection with that Section) made of fabric, cloth, or paper displayed from a staff or flagpole or in a window, but "American flag" does not include a depiction or emblem of the American flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

"Homeowners" association" includes a property owners' association, townhome association, and any similar entity, and "homeowner" includes a townhome owner.

"Military flag" means a flag of any branch of the United States armed forces or the Illinois National Guard made of fabric, cloth, or paper displayed from a staff or flag pole or in a window, but "military flag does not include a depiction or emblem of a military flag made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.

Sec. 107.05 Meeting of members.

(a) Meetings of members may be held either within or without this State, as may be provided in the bylaws or in a resolution of the board of directors pursuant to authority granted in the

bylaws. In the absence of any such provision, all meetings shall be held at the registered office of the corporation in this State.

(b) An annual meeting of the members entitled to vote may be held at such time as may be provided in the bylaws or in a resolution of the board of directors pursuant to authority granted in the bylaws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation nor affect the validity of corporate action. If an annual meeting has not been held within the earlier of six months after the end of the corporation's fiscal year or fifteen months after its last annual meeting and if, after a request in writing directed to the president of the corporation, a notice of meeting is not delivered to members entitled to vote within 60 days of such request, then any member entitled to vote at an annual meeting may apply to the circuit court of the county in which the registered office or principal place of business of the corporation is located for an order directing that the meeting be held and fixing the time and place of the meeting. The court may issue such additional orders as may be necessary or appropriate for the holding of the meeting.

(c) Special meetings of the members may be called by the president or by the board of directors. Special meetings of the members may also be called by such other officers or persons or number or proportion of members entitled to vote as may be provided in the articles of incorporation or the bylaws. In the absence of a provision fixing the number or proportion of members entitled to vote who are entitled to call a meeting, a special meeting of members entitled to vote may be called by such members having one-twentieth of the votes entitled to be cast at such meeting.

(d) Unless specifically prohibited by the articles of incorporation or bylaws, a corporation may allow members entitled to vote to participate in and act at any meeting through the use of conference telephone or interactive technology, including but not limited to electronic transmission, Internet usage, or remote communication, by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or person so participating.

(e) For meetings of a not-for-profit corporation organized for the purpose of residential cooperative housing, consisting of 50 or more single family dwellings with individual unit legal descriptions based upon a recorded plat of a subdivision, and located in a county containing a population between 780,000 and 3,000,000 inhabitants, any member may record by tape, film, or other means the proceedings at the meetings. The board or the membership may prescribe reasonable rules and regulations to govern the making of the recordings. The portion of any meeting held to discuss violations of rules and regulations of the corporation by a residential shareholder shall be recorded only with the affirmative assent of that shareholder.

Sec. 107.10 Informal action by members entitled to vote.

(a) Unless otherwise provided in the articles of incorporation or the bylaws, except for the dissolution of a not-for-profit corporation organized for the purpose of ownership or administration of residential property on a cooperative basis, any action required by this Act to be taken at any annual or special meeting of the members entitled to vote, or any other action which may be taken at a meeting of the members entitled to vote, may be taken by ballot without a meeting in writing by mail, e-mail, or any other electronic means pursuant to which the members entitled to vote thereon are given the opportunity to vote for or against the proposed action, and the action receives approval by a majority of the members casting votes, or such larger number as may be required by the Act, the articles of incorporation, or the bylaws, provided that the number of members casting votes would constitute a quorum if such action had been taken at a meeting. Voting must remain open for not less than 5 days from the date the ballot is delivered; provided, however, in the case of a removal of one or more directors, a merger, consolidation, dissolution or sale, lease or exchange of assets, the voting must remain open for not less than 20 day from the date the ballot is delivered.

(b) Such informal action by members shall become effective only if, at least 5 days prior to the effective date of such informal action, a notice in writing of the proposed action is delivered to all of the members entitled to vote with respect to the subject matter thereof.

(c) In the event that the action which is approved is such as would have required the filing of a certificate under any other Section of this Act if such action had been voted on by the members

at a meeting thereof, the certificate filed under such other Section shall state, in lieu of any statement required by such Section concerning any vote of members, that an informal vote has been conducted in accordance with the provisions of this Section and that written notice has been delivered as provided in this Section.

(d) In addition, unless otherwise provided in the articles of incorporation or the bylaws, any action required by this Act to be taken at any annual or special meeting of the members entitled to vote, or any other action which may be taken at a meeting of members entitled to vote, may also be taken without a meeting and without a vote if a consent in writing, setting forth the action so taken, shall be approved by all the members entitled to vote with respect to the subject matter thereof.

Sec. 107.15 Notice of members' meetings. Written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 5 nor more than 60 days before the date of the meeting, or in the case of a removal of one or more directors, a merger, consolidation, dissolution or sale, lease or exchange or assets not less than 20 nor more than 60 days before the date of the meeting, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting. A residential cooperative not-for-profit corporation containing 50 or more single family units with individual unit legal descriptions based upon a recorded plat of subdivision and located in a county with a population between 780,000 and 3,000,000 shall, in addition to the other requirements of this Section, post notice of member's meetings in conspicuous places in the residential cooperative at least 48 hours prior to the meeting of the members.

Sec.107.20 Waiver of notice. Whenever any notice whatever is required to be given under the provisions of this Act or under the provisions of the articles of incorporation or bylaws of any corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

Sec. 107.25 Fixing record date for voting. For the purpose of determining members entitled to notice of or to vote at any meeting of members, or in order to make a determination of members for any other proper purpose, the board of directors of a corporation may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than 60 days and, for a meeting of members, not less than 5 days, or in the case of a merger, consolidation, dissolution or sale, lease or exchange of assets, not less than 20 days, immediately preceding such meeting. If no record date is fixed for the determination of members entitled to notice of or to vote at a meeting or members, the date on which notice of the meeting is delivered shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this Section, such determination shall apply to any adjournment thereof. In lieu of the board of directors from time to time establishing record dates, the bylaws of the corporation may establish a mechanism for determining record dates in all or specified instances.

Sec. 107.35 Inspectors. At any meeting of members, the chairman of the meeting may, or upon the request of any members shall, appoint one or more persons as inspectors for such meeting, unless an inspector or inspectors shall have been previously appointed for such meeting in the manner provided by the bylaws of the corporation.

Such inspectors shall ascertain and report the number of votes represented at the meeting, based upon their determination of the validity and effect of proxies, count all votes and report the results; and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the members.

Each report of an inspector shall be in writing and signed by him or her or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of votes represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Sec. 107.50 Proxies. A member entitled to vote may vote in person or, unless the articles of incorporation or bylaws explicitly prohibit, by proxy executed in writing by the member or by that

member's duly authorized attorney-in-fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Unless otherwise prohibited by the articles of incorporation or bylaws, the election of directors, officers, or representatives by members may be conducted by mail, e-mail, or any other electronic means as set forth in subsection (a) of Section 107.10.

Sec. 107.60 Quorum of members entitled to vote. Unless otherwise provided by the articles of incorporation or the bylaws, members holding one-tenths of the votes entitled to be cast on a matter, represented in person or by proxy, shall constitute a quorum for consideration of such matter at a meeting of members. If a quorum is present, the affirmative vote of a majority of the votes present and voted, either in person or by proxy, shall be the act of the members, unless the vote of a greater number or by voting classes is required by this Act, the articles of incorporation or the bylaws. The articles of incorporation or bylaws may require any number or percent greater or smaller than one-tenth up to and including a requirement of unanimity to constitute a quorum.

Sec. 107.75 Books and records.

(a) Each corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors and committees having any of the authority of the board of directors; and shall keep at its registered office or principal office a record giving the names and addresses of its members entitled to vote. Any voting member shall have the right to examine, in person or by agent, at any reasonable time or times, the corporation's books and records of account and minutes, and to make extracts therefrom, but only for a proper purpose. In order to exercise this right, a voting member must make written demand upon the corporation, stating with particularity the records sought to be examined and the purpose therefor. If the corporation refuses examination, the voting member may file suit in the circuit court of the county in which either the registered agent or principal office of the corporation is located to compel by mandamus or otherwise such examination as may be proper. If a voting member seeks to examine books or records of account the burden of proof is upon the voting member to establish a proper purpose. If the purpose is to examine minutes, the burden of proof is upon the corporation to establish that the voting member does not have a proper purpose.

(b) A residential cooperative not-for-profit corporation containing 50 or more single family units with individual unit legal descriptions based upon a recorded plat of a subdivision and located in a county with a population between 780,000 and 3,000,000 shall keep an accurate and complete account of all transfers of membership and shall, on a quarterly basis, record all transfers of membership with the county clerk of the county in which the residential cooperative is located. Additionally, a list of all transfers of membership shall be available for inspection by any member of the corporation.

Sec. 108.05 Board of directors.

(a) Each corporation shall have a board of directors, and except as provided in articles of incorporation, the affairs of the corporation shall be managed by or under the direction of the board of directors.

(b) A director need not be a resident of this State or a member of the corporation unless the articles of incorporation or bylaws so prescribe. The articles of incorporation or the bylaws may prescribe other qualifications for directors.

(c) Unless otherwise provided in the articles of incorporation or bylaws, the board of directors, by the affirmative vote of a majority of the directors then in office, shall have authority to establish reasonable compensation of all directors for services to the corporation as directors, officers or otherwise, notwithstanding the provisions of Section 108.60 of this Act.

(d) No director may act by proxy on any matter.

Sec. 108.10 Number, election and resignation of directors.

(a) The board of directors of a corporation shall consist of three or more directors. The number of directors shall be fixed by the bylaws, except the number of initial directors shall be fixed by the incorporators in the articles of incorporation. In the absence of a bylaw fixing the number of directors, the number shall be the same as that fixed in the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the bylaws.

(b) The bylaws may establish a variable range for the size of the board by prescribing a minimum and maximum (which may not be less than 3 or exceed the minimum by more than 5) number of directors. If a variable range is established, unless the bylaws otherwise provide, the number of directors may be fixed or changed from time to time, within the minimum and maximum, by the directors without further amendment to the bylaws.

(c) The terms of all directors expire at the next meeting for the election of directors following their election unless their terms are staggered under subsection (e). The term of a director elected to fill a vacancy expires at the next annual meeting of the members entitled to vote at which his or her predecessor's term would have expired or in accordance with Section 108.30 of this Act. The term of a director elected as a result of an increase in the number of directors expires at the next annual meeting of members entitled to vote unless the term is staggered under subsection (e).

(d) Despite the expiration of a director's term, he or she continues to serve until the next meeting of members or directors entitled to vote on directors at which directors are elected. An amendment to the bylaws decreasing the number of directors or eliminating the position of a director elected or appointed by persons or entities other than the members may shorten the terms of incumbent directors; provided, however, such amendment has been approved by the party with the authority to elect or appoint such directors.

(e) The articles of incorporation or the bylaws may provide that directors may be divided into classes and the terms of office of several classes need not be uniform. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified.

(f) If the articles of incorporation or bylaws authorize dividing the members into classes, the articles or bylaws may also authorize the election of all or a specified number or percentage of directors by one or more authorized classes of members.

(g) A director may resign at any time by written notice delivered to the board of directors, its chairman, or to the president or secretary of the corporation. A resignation is effective when the notice is delivered unless the notice specifies a future date. The pending vacancy may be filled before the effective date, but the successor shall not take office until the effective date.

Sec. 108.15 Quorum of directors.

(a) Unless otherwise provided in the articles of incorporation or the bylaws, a majority of the directors then in office shall constitute a quorum; provided, that in no event shall a quorum consist of less than one-third of the directors then in office.

(b) The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.

(c) Unless specifically prohibited by the articles of incorporation or bylaws, directors or nondirector committee members may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

Sec. 108.21 Meeting of the board of directors of a not-for-profit homeowners association or residential cooperative not-for-profit corporation shall be open to any member, except for the portion of any meeting held (i) to discuss litigation when an action against or on behalf of the corporation has been filed and is pending in a court or administrative tribunal, or when the board of directors finds that such an action is probable or imminent, (ii) to consider information regarding appointment, employment or dismissal or an employee, or (iii) to discuss violations of rules and regulations of the corporation. Any member may record by tape, film or other means the proceedings at such meetings or portions thereof required to be open by this Section. The board may prescribe reasonable rules and regulations to govern the right to make such recordings. Notice of such meetings shall be mailed or delivered at least 48 hours prior thereto, unless a written waiver of such notice is signed by the person or person entitled to such notice pursuant to the articles of incorporation, bylaws, other instrument before the meeting is convened. Copies of notices of meetings of the board of directors shall be posted in entranceways, elevators, or

other conspicuous places at least 48 hours prior to the meeting of the board of directors. If there is no common entranceway for 7 or more units, the board of directors may designate one or more locations in the proximity of such units where the notices of meetings shall be posted. For purposes of this Section, "meeting of the board of directors" means any gathering of a quorum of the members of the board of directors held for the purpose of discussing business of the homeowners association or cooperative. The provisions of this Section shall apply to any homeowners association or residential cooperative situated in the State of Illinois regardless of where it may be incorporated.

Sec. 108.25 Notice of directors' meetings. Meetings of the board of directors shall be held upon such notice as the bylaws may prescribe. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Unless provided otherwise in the articles of incorporation or the bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting, except that no special meeting of directors may remove a director under Section 108.35(b) of this Act unless written notice of the proposed removal is delivered to all directors at least twenty days prior to such meeting.

Sec. 108.30 Vacancies. Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors unless the articles of incorporation or the bylaws provide that a vacancy or directorship so created shall be filled in some other manner, in which case such provision shall control. A director elected or appointed, as the case may be, to fill a vacancy shall be elected or appointed for the unexpired term of his or her predecessor in office.

Sec. 108.35 Removal of directors.

(a) One or more of the directors may be removed, with or without cause. In the case of a corporation having a board of directors which is classified in accordance with subsection 108.10(e) of this Act, the articles of incorporation or bylaws may provide that such directors may only be removed for cause.

(b) In the case of a corporation with no members or with no members entitled to vote on directors, a director may be removed by the affirmative vote of a majority of the directors then in office present and voting at a meeting of the board of directors at which a quorum is present.

(c) In the case of a corporation with members entitled to vote for directors, no director may be removed, except as follows:

(1) A director may be removed by the affirmative vote of two-thirds of the votes present and voted, either in person or by proxy.

(2) No director shall be removed at a meeting of members entitled to vote unless the written notice of such meeting is delivered to all members entitled to vote on removal of directors. Such notice shall state that a purpose of the meeting is to vote upon the removal of one or more directors named in the notice. Only the named director or directors may be removed at such meeting.

(3) In the case of a corporation having cumulative voting, if less than the entire board is to be removed, no director may be removed, with or without cause, if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire board of directors.

(4) If a director is elected by a class of voting members entitled to vote, directors or other electors, that director may be removed only by the same class of members entitled to vote, directors or electors which elected the director.

(d) The provisions of subsections (a), (b) and (c) shall not preclude the Circuit Court from removing a director of the corporation from office in a proceeding commenced either by the corporation or by members entitled to vote holding at least 10 percent of the outstanding votes of any class if the court finds (1) the director is engaged in fraudulent or dishonest conduct or has grossly abused his or her position to the detriment of the corporation, and (2) removal is in the best interest of the corporation. If the court removes a director, it may bar the director from reelection for a period prescribed by the court. If such a proceeding is commenced by a member

entitled to vote, such member shall make the corporation a party defendant.

Sec. 108.40 Committees.

(a) If the articles of incorporation or bylaws so provide, a majority of the directors may create one or more committees and appoint directors or such other persons as the board designates, to serve on the committee or committees. Each committee shall have two or more directors, a majority of its membership shall be directors, and all committee members shall serve at the pleasure of the board. However, committees appointed by the board or otherwise authorized by the bylaws relating to the election, nomination, qualification, or credentials of directors or other committees involved in the process of electing directors may be composed entirely of non-directors.

(b) Unless the appointment by the board of directors requires a greater number, a majority of any committee shall constitute a quorum, and a majority of committee members present and voting at a meeting at which a quorum is present is necessary for committee action. A committee may act by unanimous consent in writing without a meeting and, subject to the provisions of the bylaws or action by the board of directors, the committee by majority vote of its members shall determine the time and place of meetings and the notice required therefor.

(c) To the extent specified by the board of directors or in the articles of incorporation or bylaws, each committee may exercise the authority of the board of directors under Section 108.05 of this Act; provided, however, a committee may not:

(1) Adopt a plan for the distribution of the assets of the corporation, or for dissolution;

(2) Approve or recommend to members any act this Act appointed by the board or otherwise authorized by the bylaws relating to the election, nomination, qualification, or credentials of directors or other committees involved in the process of electing directors may make recommendations to the members relating to electing directors;

(3) Fill vacancies on the board or on any of its committees;

(4) Elect, appoint or remove any officer or director or member of any committee, or fix the compensation of any member of a committee;

(5) Adopt, amend, or repeal the bylaws or the articles of incorporation;

(6) Adopt a plan of merger or adopt a plan of consolidation with another corporation, or authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the corporation; or

(7) Amend, alter, repeal or take action inconsistent with any resolution or action of the board of directors when the resolution or action of the board of directors provides by its terms that it shall not be amended, altered or repealed by action of a committee.

(d) The board of directors may create and appoint persons to a commission, advisory body or other such body which may or may not have directors as members, which body may not act on behalf of the corporation or bind it to any action but may make recommendations to the board of directors or to the officers.

Sec. 108.45 Informal action by directors.

(a) Unless specifically prohibited by the articles of incorporation or bylaws, any action required by this Act to be taken at a meeting of the board of directors of a corporation, or any other action which may be taken at a meeting of the board of directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be approved in writing by all of the directors and all of any nondirector committee members entitled to vote with respect to the subject matter thereof, or by all the members of such committee, as the case may be.

(b) The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and provides a written record of approval. All the approvals evidencing the consent shall be delivered to the secretary to be filed in the corporate records. The action taken shall be effective when all the directors or the committee members, as the case may be, have approved the consent unless the consent specifies a different effective date.

(c) Any such consent approved in writing by all the directors or all the committee members, as the case may be, shall have the same effect as a unanimous vote and may be stated as such

in any document filed with the Secretary of State under this Act.

Sec. 108.50 Officers.

(a) A corporation shall have such officers as shall be provided in the bylaws. Officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the board of directors or chosen in such other manner as may be prescribed by the bylaws. If the bylaws so provide, any two or more offices may be held by the same person. One officer, in this Act generally referred to as the secretary, shall have the authority to certify the bylaws, resolutions of the members and board of directors and committees thereof, and other documents of the corporation as true and correct copies thereof.

(b) All officers and agents of the corporation, as between themselves and the corporation, shall have such express authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the bylaws, or as may be determined by resolution of the board of directors not inconsistent with the bylaws and such implied authority as recognized by the common law from time to time.

(c) The articles of incorporation or the bylaws may provide that any one or more officers of the corporation or any other person holding a particular office outside the corporation shall be a director or directors while he or she holds that office. Unless the articles of incorporation or the bylaws provide otherwise, such director or directors shall have the same rights, duties and responsibilities as other directors.

Sec. 108.55 Removal of Officers. Any officer or agent may be removed by the board of directors or other persons authorized to elect or appoint such officer or agent but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create any contract rights.

Sec. 108.60 Director conflict of interest.

(a) If a transaction is fair to a corporation at the time it is authorized, approved, or ratified, the fact that a director of the corporation is directly or indirectly a party to the transaction is not grounds for invalidating the transaction.

(b) In a proceeding contesting the validity of a transaction described in subsection (a), the person asserting validity has the burden of proving fairness unless:

(1) The material facts of the transaction and the director's interest or relationship were disclosed or known to the board of directors or a committee consisting entirely of directors and the board or committee authorized, approved or ratified the transaction by the affirmative votes of a majority of disinterested directors, even though the disinterested directors be less than a quorum; or

(2) The material facts of the transaction and the director's interest or relationship were disclosed or known to the members entitled to vote, if any, and they authorized, approved or ratified the transaction without counting the vote of any member who is an interested director.

(c) The presence of the director, who is directly or indirectly a party to the transaction described in subsection (a), or a director who is otherwise not disinterested, may be counted in determining whether a quorum is present but may not be counted when the board of directors or a committee of the board takes action on the transaction.

(d) For purposes of this Section, a director is "indirectly" a party to a transaction if the other party to the transaction is an entity in which the director has a material financial interest or of which the director is an officer, director or general partner; except that if a director is an officer or director of both parties to a transaction involving a grant or contribution, without consideration, from one entity to the other, that director is not "indirectly" a party to the transaction provided the director does not have a material financial interest in the entity that receives the grant or contribution.

(e) (Blank)

Sec. 108.65 Liability of directors in certain cases.

(b) A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken is conclusively presumed to have assented to the action taken unless his or her dissent or abstention is entered in the minutes of the meeting or unless

he or she files his or her written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent or abstention by registered or certified mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent or abstain does not apply to a director who voted in favor of such action.

Sec. 108.70 Limited liability of directors, officers, board members, and persons who serve without compensation.

(a) No director or officer serving without compensation, other than reimbursement for actual expenses, of a corporation organized under this Act or any predecessor Act and exempt, or qualified for exemption, from taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, shall be liable, and no cause of action may be brought, for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such director or officer unless the act or omission involved willful or wanton conduct.

(b) No director of a corporation organized under this Act or any predecessor Act for the purposes identified in items (14), (19), (21) and (22) of subsection (a) of Section 103.05 of this Act, and exempt or qualified for exemption from taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, shall be liable, and no cause of action may be brought for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such director, unless: (1) such director earns in excess of $25,000 per year from his duties as director, other than reimbursement for actual expenses; or (2) the act or omission involved willful or wanton conduct.

(b-5) Except for willful and wanton conduct, no volunteer board member serving without compensation, other than reimbursement for actual expenses, of a corporation organized under this Act or any predecessor Act and exempt, or qualified for exemption, from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, shall be liable, and no action may be brought, for damages resulting from any action of the executive director concerning the false reporting of or intentional tampering with financial records of the organization, where the actions of the executive director result in legal action.

This subsection (b-5) shall not apply to any action taken by the Attorney General (i) in the exercise of his or her common law or statutory power and duty to protect charitable assets or (ii) in the exercise of his or her authority to enforce the laws of this State that apply to trustees of a charity, as that term is defined in the Charitable Trust Act and the Solicitation for Charity Act.

(c) No person who, without compensation other than reimbursement for actual expenses, renders service to or for a corporation organized under this Act or any predecessor Act and exempt or qualified for exemption from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, shall be liable, and no cause of action may be brought, for damages resulting from an act or omission in rendering such services, unless the act or omission involved willful or wanton conduct.

(d) (Blank)

(e) Nothing in this Section is intended to bar any cause of action against the corporation or change the liability of the corporation arising out of an act or omission of any director, officer or person exempt from liability for negligence under this Section

Sec. 108.75 Indemnification of officers, directors, employees and agents; insurance.

(a) A corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any

action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

(b) A corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

(c) To the extent that a present or former director, officer or employee of a corporation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, if that person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation.

(d) Any indemnification under subsections (a), (b), or (c) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case, upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in subsections (a), (b), or (c). Such determination shall be made with respect to a person who is a director or officer of the corporation at the time of the determination: (1) by the majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, (2) by a committee of such directors, even though less than a quorum, designated by a majority vote of such directors, (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the members entitled to vote, if any.

(e) Expenses (including attorney's fees) incurred by an officer or director of the corporation in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of such director or officer to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the corporation as authorized in this Section. Such expenses (including attorney's fees) incurred by former directors and officers or other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid on such terms and conditions, if any, as the corporation deems appropriate.

(f) The indemnification and advancement of expenses provided by or granted under the other subsections of this Section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of members or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. A right to indemnification or to advancement of expenses arising under a provision of the articles of incorporation or a by-law shall not be eliminated or impaired by an amendment to such provision after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such act or omission has occurred.

(g) A corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Section.

(h) In the case of a corporation with members entitled to vote, if a corporation indemnifies or advances expenses under subsection (b) of this Section to a director or officer, the corporation shall report the indemnification or advance in writing to the members entitled to vote with or before the notice of the next meeting of the members entitled to vote.

(i) For purposes of this Section, references to "the corporation" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, employees or agents, so that any person who was a director, officer, employee or agent of such merging corporation, or was serving at the request of such merging corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.

(j) For purposes of this Section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to ‘serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Section.

(k) The indemnification and advancement of expenses provided by or granted under this Section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of that person.

(l) The changes to this Section made by this amendatory Act of the 92nd General Assembly apply only to actions commenced on or after the effective date of this amendatory Act of the 92nd General Assembly.

Sec. 110.05 Authority to amend articles of incorporation.

(a) A corporation may amend its articles of incorporation at any time and from time to time to add a new provision or to change or remove an existing provision, provided that the articles as amended contain only such provisions as are required or permitted in original articles of incorporation at the time of amendment. The articles as amended must contain all the provisions required by subsection (a) of Section 102.10 of this Act except that the names and addresses of the initial directors may be omitted and the names of the initial registered agent or the address of the initial registered office may be omitted.

(b) A corporation whose period of duration as provided in the articles of incorporation has expired may amend its articles of incorporation to revive its articles and extend the period of corporate duration, including making the duration perpetual, at any time within 5 years after the date of expiration.

Sec. 110.20 Amendments by Directors and Members. Where a corporation has members entitled to vote on amendments, one or more amendments shall be adopted in the following manner:

(a) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote on amendments which may be either an annual or a special meeting;

(b) Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote on amendments at such meeting within the time and in the manner provided in this Act for the giving of notice of meetings of members. If such meeting be an annual meeting, the proposed amendment, or a summary as aforesaid, may be included in the notice of such annual meeting;

(c) At such meeting, at which there is a quorum of members, a vote of the members entitled to vote on the proposed amendment shall be taken. The proposed amendment shall be adopted by receiving the affirmative vote of at least 2/3 of the votes present and voted either in person or by proxy, unless any class of members is entitled to vote as a class in respect thereof, in which event the proposed amendment shall be adopted by receiving the affirmative vote of at least two-thirds of the votes of the class present and voted either in person or by proxy;

(d) The articles of incorporation or the bylaws of a corporation may supersede the two-thirds vote requirement of subsection (c) by specifying any smaller or larger vote requirement not less than a majority of the votes which members entitled to vote on such amendment shall vote, either in person or by proxy, at a meeting at which there is a quorum.

Sec. 111.55 Sale, lease or exchange of assets in usual and regular conduct of its affairs; mortgage or pledge of assets. The sale, lease, exchange or other disposition of all, or substantially all, the property and assets of a corporation, when made in the usual and regular course of the conduct of the affairs of the corporation, and a pledge or mortgage of the property and assets of a corporation, may be made upon such terms and conditions and for such considerations, which may consist, in whole or in part, of money or property, real or personal, including shares of any other corporation for profit, domestic or foreign, as shall be authorized by its board of directors; and in such case no authorization or consent of the members entitled to vote shall be required.

Sec. 114.05 Annual report of domestic or foreign corporation. Each domestic corporation organized under this Act, and each foreign corporation authorized to conduct affairs in this State, shall file, within the time prescribed by this Act, an annual report setting forth:

(a) The name of the corporation.

(b) The address, including street and number, or rural route number, of its registered office in this State, and the name of its registered agent at such address.

(c) The address, including street and number, if any, of its principal office.

(d) The names and respective addresses, including street and number, or rural route number, of its directors and officers.

(e) A brief statement of the character of the affairs which the corporation is actually conducting from among the purposes authorized in Section 103.05 of this Act.

(f) Whether the corporation is a Condominium Association as established under the Condominium Property Act, a Cooperative Housing Corporation defined in Section 216 of the Internal Revenue Code of 1954 or a Homeowner Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the Code of Civil Procedure.

(g) Such additional information as may be necessary or appropriate in order to enable the Secretary of State to administer this Act and to verify the proper amount of fees payable by the corporation.

Such annual report shall be made on forms prescribed and furnished by the Secretary of State, and the information therein required by subsections (a) to (d), both inclusive, of this Section, shall be given as of the date of the execution of the annual report. It shall be executed by the corporation by any authorized officer and verified by him or her, or, if the corporation is in the hands of a receiver or trustee, it shall be executed on behalf of the corporation and verified by such receiver or trustee.

EXCERPTS FROM THE CHICAGO CONDOMINIUM ORDINANCE
MUNICIPAL CODE OF CHICAGO – CHAPTER 13-72
TABLE OF CONTENTS

NOTE: The Chicago Condominium Ordinance only applies to Condominiums located in the City of Chicago. To the extent that Chicago Condominium Ordinance specifically provides for a different way to handle a matter, that provision overrides any contrary provision of the Illinois Condominium Property Act or the General Not-For-Profit Corporation Act of 1986.

DISCLAIMER

The information contained in this booklet is subject to change as the laws contained herein are continually being amended and supplemented by the legislature. Furthermore, this booklet is for informational purposes only and is not intended to provide legal advice. Please consult an attorney to discuss any specific legal matters.

EXCERPTS FROM THE CHICAGO CONDOMINIUM ORDINANCE
MUNICIPAL CODE OF CHICAGO – CHAPTER 13-72

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Sec. 13-72-080 Examination of records by unit owners.

(a) Any person with custody and control of the records described in this subsection (a) shall, within 10 business days of a unit owner's written request, provide for inspection a condominium association's:

(1) declaration, bylaws, and plats of survey, and all amendments of these;

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

(3) articles of incorporation of the association and all amendments to the articles of incorporation;

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

(5) current policies of insurance of the association;

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

(7) books and records for the association's current and 10 immediately preceding fiscal years, including but not limited to itemized and detailed records of all receipts, expenditures, and accounts.

(b) The board of managers of every association shall maintain at the association's principal office a current listing of each unit owner's personal information, including the names, addresses, email addresses, telephone numbers, and weighted vote of all members entitled to vote.

(c) No unit owner, with the exception of those on the board of managers of the association, shall have the right to inspect, examine, or make copies of the unit owners' email addresses and telephone numbers from records described in subsection (b) of this section. A condominium association may choose to opt out of this subsection by a 2/3 vote of all unit owners, in which case the pertinent provisions of Section 19 of the Illinois Condominium Property Act (codified at 765 ILCS 605/19) shall apply.

(d) Nothing in this section shall be construed to prohibit the board of managers of the association from allowing unit owners to inspect, examine, or make copies of the records of the association containing the names, addresses, weighted vote of members entitled to vote, or ballots and proxies pursuant to Section 19 of the Illinois Condominium Property Act (codified at 765 ILCS 605/19), provided that unit owners' email addresses and telephone numbers are redacted from such documents. Provided, however, such redaction is not required if a condominium association chooses to opt out of subsection (c) as provided in that subsection.

Sec. 13-72-090 Administration and enforcement of chapter. The commissioner of business affairs and consumer protection shall administer this chapter and may adopt rules and regulations for the effective administration of this chapter.

The commissioner shall enforce any provision of this chapter by instituting an action with the Department of Administrative Hearings or by the corporation counsel through injunction or any other suit, action or proceeding at law or in equity in a court of competent jurisdiction.

Any information, receipt, notice, or other document required under this chapter shall be open for inspection and review by the commissioner at any reasonable time.

Sec. 13-72-100 Rights, obligations and remedies. The rights, obligations and remedies set forth in this chapter shall be cumulative and in addition to any others available at law or in equity. A person may bring a private cause of action in a court of competent jurisdiction seeking compliance with the provisions of this chapter and the prevailing plaintiff shall be entitled to

recover, in addition to any other remedy available, his damages and reasonable attorney's fees, provided, however, that only the department may enforce the provisions of section 13-72-110.

Sec. 13-72-110 Penalty for violation. Unless otherwise provided, any person found guilty of violating sections 13-72-050 (A) & (B), 13-72-060 or 13-72-065 shall be punished by a fine of not less than $200.00 nor more than $5,000.00 for the first offense, and not less than $2,000.00 nor more than $10,000.00 for the second and each subsequent offense in any given 180-day period. Any person found guilty of violating any other section of this chapter shall be punished by a fine of not less than $100.00 nor more than $300.00 for the first offense and not less than $300.00 nor more than $500.00 for the second and each subsequent offense in any 180-day period. Repeated offenses in excess of three within any 180-day period may also be punishable as a misdemeanor by incarceration for a term not to exceed 180 days. Each failure to comply with the provisions of this chapter with respect to each person shall be considered a separate offense. A separate and distinct offense shall be regarded as committed each day on which such person shall continue or permit any such violation. In addition to such fines and penalties, violation of any provision of this chapter shall be cause for revocation of any license issued to such violator or offending party by the City of Chicago. Nothing herein shall be construed to preclude the revocation of any license for violation of any other provision of the Municipal Code of Chicago.

Sec. 13-72-085 Sale of condominium property.

(a) Unless a greater percentage is provided for in the declaration or bylaws, not less than 85% of the unit owners of a condominium property may, by affirmative vote at a meeting of unit owners duly called for such purpose, elect to sell the property. Such action shall be binding upon all unit owners, and it shall thereupon become the duty of every unit owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to effect such sale, provided, however, that any unit owner who did not vote in favor of such action and who has filed written objection thereto with the manager or board of managers within 20 days after the date of the meeting at which such sale was approved shall be entitled to receive from the proceeds of such sale an amount equivalent to the greater of: (i) the value of his or her interest, as determined by a fair appraisal, less the amount of any unpaid assessments or charges due and owing from such unit owner or (ii) the outstanding balance of any bona fide debt secured by the objecting unit owner's interest which was incurred by such unit owner in connection with the acquisition or refinance of the unit owner's interest, less the amount of any unpaid assessments or charges due and owing from such unit owner. The objecting unit owner is also entitled to receive from the proceeds of a sale under this Section reimbursement for reasonable relocation costs, determined in the same manner as under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended from time to time, and as implemented by regulations promulgated under that Act.

(b) If there is a disagreement as to the value of the interest of a unit owner who did note vote in favor of the same of the property, that unit owner shall have a right to designate an expert in appraisal or property valuation to represent him, in which case, the prospective purchaser of the property shall designate an expert in appraisal or property valuation to represent him, and both of these experts shall mutually designate a third expert in appraisal or property valuation. The 3 experts shall constitute a panel to determinate by vote of at least 2 of the members of the panel, the value of that unit owner's interest in the property.

(c) Except as otherwise provided in this section, the sale of a condominium property is governed by the Illinois Condominium Property Act, codified at 765 ILCS 605/1 et seq., and other applicable laws.

This ordinance shall take effect upon its passage and publication. The changes made by this amendatory Ordinance of 2019 shall apply only to sales of a condominium property whose owners elect to sell the property, as provided in subsection (a) of this section, on and after the effective date of this amendatory Ordinance of 2019. This ordinance does not apply to sales of a condominium property whose owners have completed the vote to sell the property, under applicable law, before the effective date of this amendatory Ordinance of 2019.

CHICAGO RESIDENTIAL LANDLORD TENANT ORDINANCE
TABLE OF CONTENTS

DISCLAIMER

The information contained in this booklet is subject to change as the laws contained herein are continually being amended and supplemented. Furthermore, this booklet is for informational purposes only and is not intended to provide legal advice. Please consult an attorney to discuss any specific legal matters.

CHICAGO RESIDENTIAL LANDLORD TENANT ORDINANCE

Sec. 5-12-010 Title, purposes and scope. This chapter shall be known and may be cited as the "Residential Landlord and Tenant Ordinance", and shall be liberally construed and applied to promote its purposes and policies.

It is the purpose of this chapter and the policy of the city, in order to protect and promote the public health, safety and welfare of its citizens, to establish the rights and obligations of the landlord and the tenant in the rental of dwelling units, and to encourage the landlord and the tenant to maintain and improve the quality of housing.

This chapter applies to, regulates and determines rights, obligations and remedies under every rental agreement for a dwelling unit located within the City of Chicago, regardless of where the agreement is made, subject only to the limitations contained in Section 5-12-020. This chapter applies specifically to rental agreements for dwelling units operated under subsidy programs of agencies of the United States and/or the State of Illinois, including specifically programs operated or subsidized by the Chicago Housing Authority and/or the Illinois Housing Development Authority to the extent that this chapter is not in direct conflict with statutory or regulatory provisions governing such programs.

Sec. 5-12-020 Exclusions. Rental of the following dwelling units shall not be governed by this chapter, unless the rental agreement thereof is created to avoid the application of this chapter:

(a) Dwelling units in owner-occupied buildings containing six units or less; provided, however, that the provisions of Section 5-12-160 shall apply to every rented dwelling unit in such buildings within the City of Chicago;

(b) Dwelling units in hotels, motels, inns, bed-and-breakfast establishments, roominghouses and boardinghouses, but only until such time as the dwelling unit has been occupied by a tenant for 32 or more continuous days and tenant pays a monthly rent, exclusive of any period of wrongful occupancy contrary to agreement with an owner. Notwithstanding the above, the prohibition against interruption of tenant occupancy set forth in Section 5-12-160 shall apply to every rented dwelling unit in such buildings within the City of Chicago. No landlord shall bring an action to recover possession of such unit, or avoid renting monthly in order to avoid the application of this chapter. Any willful attempt to avoid application of this chapter by an owner may be punishable by criminal or civil actions;

(c) Housing accommodations in any hospital, convent, monastery, extended care facility, asylum or not-for-profit home for the aged, temporary overnight shelter, transitional shelter, or in a dormitory owned and operated by an elementary school, high school or institution of higher learning; student housing accommodations wherein a housing agreement or housing contract is entered into between the student and an institution of higher learning or student housing wherein the institution exercises control or supervision of the students; or student housing owned and operated by a tax exempt organization affiliated with an institution of higher learning;

(d) A dwelling unit that is occupied by a purchaser pursuant to a real estate purchase contract prior to the transfer of title to such property to such purchaser, or by a seller of property pursuant to a real estate purchase contract subsequent to the transfer of title from such seller;

(e) A dwelling unit occupied by an employee of a landlord whose right to occupancy is conditional upon employment in or about the premises; and

(f) A dwelling unit in a cooperative occupied by a holder of a proprietary lease.

Sec. 5-12-030 Definitions. Whenever used in this chapter, the following words and phrases shall have the following meanings:

(a) "Dwelling unit" means a structure or the part of a structure that is used as a home, residence or sleeping place by one or more persons who maintain a household, together with the common areas, land and appurtenant buildings thereto, and all housing services, privileges, furnishings and facilities supplied in connection with the use or occupancy thereof, including garage and parking facilities.

(b) "Landlord" means the owner, agent, lessor or sublessor, or the successor in interest of any of them, of a dwelling unit or the building of which it is part.

(c) “Owner” means one or more persons, jointly or severally, in whom is vested all or part of the legal title to property, or all or part of the beneficial ownership and a right to present use and enjoyment of the premises, including a mortgagee in possession.

(d) “Person” means an individual, corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association or any other legal or commercial entity.

(e) “Premises” means the dwelling unit and the structure of which it is a part, and facilities and appurtenances therein, and grounds, areas and facilities held out for the use of tenants.

(f) “Rent” means any consideration, including any payment, bonus, benefits or gratuity, demanded or received by a landlord for or in connection with the use or occupancy of a dwelling unit.

(g) “Rental agreement” means all written or oral agreements embodying the terms and conditions concerning the use and occupancy of a dwelling unit by a tenant.

(h) “Successor landlord” means any person who follows a landlord in ownership or control of a dwelling unit or the building of which it is part, and shall include a lienholder who takes ownership or control either by contract, operation of law or a court order. However, a ‘successor landlord” shall not include a receiver appointed pursuant to a court order.

(i) “Tenant” means a person entitled by written or oral agreement, subtenancy approved by the landlord or by sufferance, to occupy a dwelling unit to the exclusion of others.

Sec. 5-12-040 Tenant responsibilities. Every tenant must:

(a) Comply with all obligations imposed specifically upon tenants by provisions of the municipal code applicable to dwelling units, including Section 7-28-850;

(b) Keep that part of the premises that he occupies and uses as safe as the condition of the premises permits;

(c) Dispose of all ashes, rubbish, garbage and other waste from his dwelling unit in a clean and safe manner;

(d) Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits;

(e) Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air conditioning and other facilities and appliances, including elevators, in the premises;

(f) Not deliberately or negligently destroy, deface, damage, impair or remove any part of the premises or knowingly permit any person on the premises with his consent to do so; and

(g) Conduct himself and require other persons on the premises with his consent to conduct themselves in a manner that will not disturb his neighbors’ peaceful enjoyment of the premises.

Sec. 5-12-050 Landlord's right of access. A tenant shall not unreasonably withhold consent to the landlord to enter the dwelling unit:

(a) To make necessary or agreed repairs, decorations, alterations or improvements;

(b) To supply necessary or agreed services;

(c) To conduct inspections authorized or required by any government agency;

(d) To exhibit the dwelling unit to prospective or actual purchasers, mortgagees, workmen or contractors;

(e) To exhibit the dwelling unit to prospective tenants 60 days or less prior to the expiration of the existing rental agreement;

(f) For practical necessity where repairs or maintenance elsewhere in the building unexpectedly require such access;

(g) To determine a tenant's compliance with provisions in the rental agreement; and

(h) In case of emergency.

The landlord shall not abuse the right of access or use it to harass the tenant. Except in cases where access is authorized by subsection (f) or (h) of this section, the landlord shall give the

tenant notice of the landlord's intent to enter of no less than two days. Such notice shall be provided directly to each dwelling unit by mail, telephone, written notice to the dwelling unit, or by other reasonable means designed in good faith to provide notice to the tenant. If access is required because of repair work for common facilities or other apartments, a general notice may be given by the landlord to all potentially affected tenants that entry may be required. In cases where access is authorized by subsection (f) or (h) of this section, the landlord may enter the dwelling unit without notice or consent of the tenant. The landlord shall give the tenant notice of such entry within two days after such entry.

The landlord may enter only at reasonable times except in case of an emergency. An entry between 8:00 a.m. and 8:00 p.m. or at any other time expressly requested by the tenant shall be presumed reasonable.

Sec. 5-12-060 Remedies for improper denial of access. If the tenant refuses to allow lawful access, the landlord may obtain injunctive relief to compel access or terminate the rental agreement pursuant to Section 5-12-130(b) of this chapter. In either case, the landlord may recover damages.

If the landlord makes an unlawful entry or a lawful entry in an unreasonable manner or makes repeated unreasonable demands for entry otherwise lawful, but which have the effect of harassing the tenant, the tenant may obtain injunctive relief to prevent the recurrence of the conduct, or terminate the rental agreement pursuant to the notice provisions of Section 5-12-110(a). In each case, the tenant may recover an amount equal to not more than one month's rent or twice the damage sustained by him, whichever is greater.

Sec. 5-12-070 Landlord's responsibility to maintain. The landlord shall maintain the premises in compliance with all applicable provisions of the municipal code and shall promptly make any and all repairs necessary to fulfill this obligation.

Sec. 5-12-080 Security deposits.

(a) (1) A landlord shall hold all security deposits received by him in a federally insured interest-bearing account in a bank, savings and loan association or other financial institution located in the State of Illinois. A security deposit and interest due thereon shall continue to be the property of the tenant making such deposit, shall not be commingled with the assets of the landlord, and shall not be subject to the claims of any creditor of the landlord or of the landlord's successors in interest, including a foreclosing mortgagee or trustee in bankruptcy.

(2) Notwithstanding subsection (a)(1), a landlord may accept the payment of the first month’s rent and security deposit in one check or one electronic funds transfer, and deposit the check or electronic funds transfer into one account, if within 5 business days of the acceptance of the check or electronic transfer, the landlord transfers the amount of the security deposit into a separate account that complies with subsection (a)(1).

(3) The name and address of the financial institution where the security deposit will be deposited shall be clearly and conspicuously disclosed in the written rental agreement signed by the tenant. If no written rental agreement is provided, the landlord shall, within 14 days of receipt of the security deposit, notify the tenant in writing of the name and address of the financial institution where the security deposit was deposited.

If, during the pendency of the rental agreement, a security deposit is transferred from one financial institution to another, the landlord shall, within 14 days of such transfer, notify the tenant in writing of the name and address of the new financial institution.

(4) Notwithstanding subsection (a)(1), a landlord shall not be considered to be commingling the security deposits with the landlord's assets if there is excess interest in the account in which the security deposits are deposited. “Excess interest” means the amount of money in excess of the total amount of security deposits deposited into the account plus any interest due thereon.

(b) (1) Except as provided for in subsection (b)(2), any landlord who receives a security deposit from a tenant or prospective tenant shall give said tenant or prospective tenant at the time of receiving such security deposit a receipt indicating the amount of such security deposit, the name of the person receiving it and, in the case of the agent, the name of the landlord for whom such security deposit is received, the date on which it is received, and a description of the dwelling unit. The receipt shall be signed by the person receiving the security deposit. Failure

to comply with this subsection shall entitle the tenant to immediate return of security deposit.

(2) Upon payment of the security deposit by means of an electronic funds transfer, the landlord shall give the tenant a receipt that complies with subsection (b)(1), or an electronic receipt that acknowledges the receipt of the security deposit. The electronic receipt shall set forth the date of the receipt of the security deposit, the amount of the deposit, a description of the dwelling unit and an electronic or digital signature, as those terms are defined in 5 ILCS 175/5-105, of the person receiving the deposit.

(c) A landlord who holds a security deposit or prepaid rent pursuant to this section for more than six months shall pay interest to the tenant accruing from the beginning date of the rental term specified in the rental agreement at the rate determined in accordance with Section 5-12-081 for the year in which the rental agreement was entered into. The landlord shall, within 30 days after the end of each 12-month rental period, pay to the tenant any interest, by cash or credit to be applied to the rent due.

(d) The landlord shall, within 45 days after the date that the tenant vacates the dwelling unit or within seven days after the date that the tenant provides notice of termination of the rental agreement pursuant to Section 5-12-110(g), return to the tenant the security deposit or any balance thereof and the required interest thereon; provided, however, that the landlord, or successor landlord, may deduct from such security deposit or interest due thereon for the following:

(1) Any unpaid rent which has not been validly withheld or deducted pursuant to state or federal law or local ordinance; and

(2) A reasonable amount necessary to repair any damage caused to the premises by the tenant or any person under the tenant's control or on the premises with the tenant's consent, reasonable wear and tear excluded. In case of such damage, the landlord shall deliver or mail to the last known address of the tenant within 30 days an itemized statement of the damages allegedly caused to the premises and the estimated or actual cost for repairing or replacing each item on that statement, attaching copies of the paid receipts for the repair or replacement. If estimated cost is given, the landlord shall furnish the tenant with copies of paid receipts or a certification of actual costs of repairs of damage if the work was performed by the landlord's employees within 30 days from the date the statement showing estimated cost was furnished to the tenant.

(e) In the event of a sale, lease, transfer of ownership or control or other direct or indirect disposition of residential real property by a landlord who has received a security deposit or prepaid rent from a tenant, the successor landlord of such property shall be liable to that tenant for any security deposit, including statutory interest, or prepaid rent which the tenant has paid to the transferor.

The successor landlord shall, within 14 days from the date of such transfer, notify the tenant who made such security deposit by delivering or mailing to the tenant's last known address that such security deposit was transferred to the successor landlord and that the successor landlord is holding said security deposit. Such notice shall also contain the successor landlord's name, business address, and business telephone number of the successor landlord's agent, if any. The notice shall be in writing.

The transferor shall remain jointly and severally liable with the successor landlord to the tenant for such security deposit or prepaid rent, unless and until such transferor transfers said security deposit or prepaid rent to the successor landlord and provides notice, in writing, to the tenant of such transfer of said security deposit or prepaid rent, specifying the name, business address and business telephone number of the successor landlord or his agent within ten days of said transfer.

(f) (1) Subject to subsection (f)(2), if the landlord fails to comply with any provision of Section 5-12-080(a)-(e), the tenant shall be awarded damages in an amount equal to two times the security deposit plus interest at a rate determined in accordance with Section 5-12-081. This subsection does not preclude the tenant from recovering other damages to which he may be entitled under this chapter.

(2) If a landlord pays the interest on a security deposit or prepaid rent within the 30-day period provided for in subsection (c), or within the 45-day period provided for in subsection (d), whichever is applicable, but the amount of interest is deficient, the landlord shall not be liable

for damages under subsection (f)(2) unless:

(A) the tenant gives written notice to the landlord that the amount of the interest returned was deficient; and

(B) within fourteen days of the receipt of the notice, the landlord fails to either:

(i) pay to the tenant the correct amount of interest due plus $50.00; or

(ii) provide to the tenant a written response which sets forth an explanation of how the interest paid was calculated.

If the tenant disagrees with the calculation of the interest, as set forth in the written response, the tenant may bring a cause of action in a court of competent jurisdiction challenging the correctness of the written response. If the court determines that the interest calculation was not accurate, the tenant shall be awarded damages in an amount equal to two times the security deposit plus interest at a rate determined in accordance with Section 5-12-081.

Sec. 5-12-081 Interest rate on security deposits. During December of each year, the city comptroller shall review the status of banks within the city and interest rates on savings accounts, insured money market accounts and six (6) month certificates of deposit at commercial banks located within the city. On the first business day of each year, the city comptroller shall announce the rates of interest, as of the last business day of the prior month, on savings accounts, insured money market accounts and six (6) month certificates of deposit at the commercial bank having the most number of branches located within the city. The rates for money market accounts and for certificates of deposit shall be based on the minimum deposits for such investments. The comptroller shall calculate and announce the average of the three rates. The average of these rates so announced by the comptroller shall be the rate of interest on security deposits under rental agreements governed by this chapter and made or renewed after the most recent announcement.

Sec. 5-12-082 Interest rate notification. The city comptroller, after computing the rate of interest on security deposit governed by this chapter, shall cause the new rate of security deposit interest to be published for five consecutive business days in two or more newspapers of general circulation in the city. The mayor shall direct the appropriate city department to prepare and publish for free public distribution at government offices, libraries, schools and community organizations, a pamphlet or brochure describing the respective rights, obligations and remedies of landlords and tenants with respect to security deposits, including the new interest rate as well as the interest rate for each of the prior two years. The commissioner shall also distribute the new rate of security deposit interest, as well as the interest rate for each of the prior two years, through public service announcements to all radio and television outlets broadcasting in the city.

Sec. 5-12-090 Identification of owner and agents. A landlord or any person authorized to enter into an oral or written rental agreement on the landlord's behalf shall disclose to the tenant in writing at or before the commencement of the tenancy the name, address, and telephone number of:

(a) The owner or person authorized to manage the premises; and

(b) A person authorized to act for and on behalf of the owner for the purpose of service of process and for the purpose of receiving and receipting for notices and demands.

A person who enters into a rental agreement and fails to comply with the requirements of this section becomes an agent of the landlord for the purpose of (i) service of process and receiving and receipting for notices and demands and (ii) performing the obligations of the landlord under this chapter and under the rental agreement.

The information required to be furnished by this section shall be kept current and this section extends to and is enforceable against any successor landlord, owner, or manager.

If the landlord fails to comply with this section, the tenant may terminate the rental agreement pursuant to the notice provisions of Section 5-12-110(a). If the landlord fails to comply with the requirements of this section after receipt of written notice pursuant to Section 5-12-110(a), the tenant shall recover one month's rent or actual damages, whichever is greater.

Sec. 5-12-095 Tenants' notification of foreclosure action.

(a) Within seven (7) days of being served a foreclosure complaint, as defined in 735 ILCS

5/15-1504, an owner or landlord of a premises that is the subject of the foreclosure complaint shall disclose, in writing, to all tenants of the premises that a foreclosure action has been filed against the owner or landlord. An owner or landlord shall also disclose, in writing, the notice of foreclosure to any other third party who has a consistent pattern and practice of paying rent to the owner or landlord on behalf of a tenant.

Before a tenant initially enters into a rental agreement for a dwelling unit, the owner or landlord shall also disclose, in writing, that he is named in a foreclosure complaint.

The written disclosure shall include the court in which the foreclosure action is pending, the case name, and case number and shall include the following language:

"This is not a notice to vacate the premise. This notice does not mean ownership of the building has changed. All tenants are still responsible for payment of rent and other obligations under the rental agreement. The owner or landlord is still responsible for their obligations under the rental agreement. You shall receive additional notice if there is a change in owner."

(b) If the owner or landlord fails to comply with this section, the tenant may terminate the rental agreement by written notice. The written notice shall specify the date of termination no later than thirty (30) days from the date of the written notice. In addition, if a tenant in a civil legal proceeding against an owner or landlord establishes that a violation of this section has occurred, he shall be entitled to recover Two Hundred and no/100 Dollars ($200.00) in damages, in addition to any other damages or remedies that the tenant may also be entitled.

Sec. 5-12-100 Notice of conditions affecting habitability. Before a tenant initially enters into or renews a rental agreement for a dwelling unit, the landlord or any person authorized to enter into a rental agreement on his behalf shall disclose to the tenant in writing:

(a) Any code violations which have been cited by the City of Chicago during the previous 12 months for the dwelling unit and common areas and provide notice of the pendency of any code enforcement litigation or compliance board proceeding pursuant to Section 13-8-070 of the municipal code affecting the dwelling unit or common area. The notice shall provide the case number of the litigation and/or the identification number of the compliance board proceeding and a listing of any code violations cited.

(b) Any notice of intent by the City of Chicago or any utility provider to terminate water, gas, electrical or other utility service to the dwelling unit or common areas. The disclosure shall state the type of service to be terminated, the intended date of termination; and whether the termination will affect the dwelling unit, the common areas or both. A landlord shall be under a continuing obligation to provide disclosure of the information described in this subsection (b) throughout a tenancy. If a landlord violates this section, the tenant or prospective tenant shall be entitled to remedies described in Section 5-12-090.

Sec. 5-12-101 Bed bugs – Education. For any rental agreement for a dwelling unit entered into or renewed after the effective date of this 2013 amendatory ordinance, prior to entering into or renewing such agreement, the landlord or any person authorized to enter into such agreement on his behalf shall provide to such tenant the informational brochure on bed bug prevention and treatment prepared by the Department of Health pursuant to Section 7-28-860.

Sec. 5-12-110 Tenant remedies. In addition to any remedies provided under federal law, a tenant shall have the remedies specified in this section under the circumstances herein set forth.

For purposes of this section, material noncompliance with Section 5-12-070 shall include, but is not limited to, any of the following circumstances:

Failure to maintain the structural integrity of the building or structure or parts thereof;

Failure to maintain floors in compliance with the safe load-bearing requirements of the municipal code;

Failure to comply with applicable requirements of the municipal code for the number, width, construction, location or accessibility of exits;

Failure to maintain exit, stairway, fire escape or directional signs where required by the municipal code;

Failure to provide smoke detectors, sprinkler systems, standpipe systems, fire alarm systems, automatic fire detectors or fire extinguishers where required by the municipal code;

Failure to maintain elevators in compliance with applicable provisions of the municipal code; Failure to provide or maintain in good working order a flush water closet, lavatory basin, bathtub or shower, or kitchen sink;

Failure to maintain heating facilities or gas-fired appliances in compliance with the requirements of the municipal code;

Failure to provide heat or hot water in such amounts and at such levels and times as required by the municipal code;

Failure to provide hot and cold running water as required by the municipal code;

Failure to provide adequate hall or stairway lighting as required by the municipal code;

Failure to maintain the foundation, exterior walls or exterior roof in sound condition and repair, substantially watertight and protected against rodents;

Failure to maintain floors, interior walls or ceilings in sound condition and good repair;

Failure to maintain windows, exterior doors or basement hatchways in sound condition and repair and substantially tight and to provide locks or security devices as required by the municipal code, including deadlatch locks, deadbolt locks, sash or ventilation locks, and front door windows or peepholes;

Failure to supply screens where required by the municipal code;

Failure to maintain stairways or porches in safe condition and sound repair;

Failure to maintain the basement or cellar in a safe and sanitary condition;

Failure to maintain facilities, equipment or chimneys in safe and sound working condition;

Failure to prevent the accumulation of stagnant water;

Failure to exterminate insects, rodents or other pests;

Failure to supply or maintain facilities for refuse disposal;

Failure to prevent the accumulation of garbage, trash, refuse or debris as required by the municipal code;

Failure to provide adequate light or ventilation as required by the municipal code;

Failure to maintain plumbing facilities, piping, fixtures, appurtenances and appliances in good operating condition and repair;

Failure to provide or maintain electrical systems, circuits, receptacles and devices as required by the municipal code;

Failure to maintain and repair any equipment which the landlord supplies or is required to supply; or

Failure to maintain the dwelling unit and common areas in a fit and habitable condition.

(a) *Noncompliance by Landlord*. If there is material noncompliance by the landlord with a rental agreement or with Section 5-12-070 either of which renders the premises not reasonably fit and habitable, the tenant under the rental agreement may deliver a written notice to the landlord specifying the acts and/or omissions constituting the material noncompliance and specifying that the rental agreement will terminate on a date not less than 14 days after receipt of the notice by the landlord, unless the material noncompliance is remedied by the landlord within the time period specified in the notice. If the material noncompliance is not remedied within the time period so specified in the notice, the rental agreement shall terminate, and the tenant shall deliver possession of the dwelling unit to the landlord within 30 days after the expiration of the time period specified in the notice. If possession shall not be so delivered, then the tenant's notice shall be deemed withdrawn and the lease shall remain in full force and effect. If the rental agreement is terminated, the landlord shall return all prepaid rent, security and interest recoverable by the tenant under Section 5-12-080.

(b) *Failure to Deliver Possession*. If the landlord fails to deliver possession of the dwelling unit to the tenant in compliance with the residential rental agreement or Section 5-12-070, rent for the dwelling unit shall abate until possession is delivered, and the tenant may:

(1) Upon written notice to the landlord, terminate the rental agreement and upon

termination the landlord shall return all prepaid rent and security; or

(2) Demand performance of the rental agreement by the landlord and, if the tenant elects, maintain an action for possession of the dwelling unit against the landlord or any person wrongfully in possession and recover the damages sustained by him.

If a person's failure to deliver possession is wilful, an aggrieved person may recover from the person withholding possession an amount not more than two months' rent or twice the actual damages sustained by him, whichever is greater.

(c) *Minor Defects*. If there is material noncompliance by the landlord with the rental agreement or with Section 5-12-070, and the reasonable cost of compliance does not exceed the greater of $500.00 or one-half of the monthly rent, the tenant may recover damages for the material noncompliance or may notify the landlord in writing of his intention to correct the condition at the landlord's expense; provided, however, that this subsection shall not be applicable if the reasonable cost of compliance exceeds one month's rent. If the landlord fails to correct the defect within 14 days after being notified by the tenant in writing or as promptly as conditions require in case of emergency, the tenant may have the work done in a workmanlike manner and in compliance with existing law and building regulations and, after submitting to the landlord a paid bill from an appropriate tradesman or supplier, deduct from his or her rent the amount thereof, not to exceed the limits specified by this subsection and not to exceed the reasonable price then customarily charged for such work. A tenant shall not repair at the landlord's expense if the condition was caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family, or other person on the premises with the tenant's consent.

Before correcting a condition affecting facilities shared by more than one dwelling unit, the tenant shall notify all other affected tenants and shall cause the work to be done so as to create the least practical inconvenience to the other tenants. Nothing herein shall be deemed to grant any tenant any right to repair any common element or dwelling unit in a building subject to a condominium regime other than in accordance with the declaration and bylaws of such condominium building; provided, that the declaration and bylaws have not been created to avoid the application of this chapter.

For purposes of mechanics' lien laws, repairs performed or materials furnished pursuant to this subsection shall not be construed as having been performed or furnished pursuant to authority of or with permission of the landlord.

(d) *Failure to Maintain*. If there is material noncompliance by the landlord with the rental agreement or with Section 5-12-070, the tenant may notify the landlord in writing of the tenant's intention to withhold from the monthly rent an amount which reasonably reflects the reduced value of the premises due to the material noncompliance. If the landlord fails to correct the condition within 14 days after being notified by the tenant in writing, the tenant may, during the time such failure continues, deduct from the rent the stated amount. A tenant shall not withhold rent under this subsection if the condition was caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family, or other person on the premises with the tenant's consent.

(e) *Damages and Injunctive Relief*. If there is material noncompliance by the landlord with the rental agreement or with Section 5-12-070, the tenant may obtain injunctive relief, and/or recover damages by claim or defense. This subsection does not preclude the tenant from obtaining other relief to which he may be entitled under this chapter.

(f) *Failure to Provide Essential Services*. If there is material noncompliance by the landlord with the rental agreement or with Section 5-12-070, either of which constitutes an immediate danger to the health and safety of the tenant or if, contrary to the rental agreement or Section 5-12-070, the landlord fails to supply heat, running water, hot water, electricity, gas or plumbing, the tenant may give written notice to the landlord specifying the material noncompliance or failure. If the landlord has, pursuant to this ordinance or in the rental agreement, informed the tenant of an address at which notices to the landlord are to be received, the tenant shall mail or deliver the written notice required in this section to such address. If the landlord has not informed the tenant of an address at which notices to the landlord are to be received, the written notice required in this section shall be delivered by mail to the last known address of the landlord or by other reasonable means designed in good faith to provide written notice to the landlord. After such notice, the tenant may during the period of the landlord's noncompliance or failure:

(1) Procure reasonable amounts of heat, running water, hot water, electricity, gas or plumbing service, as the case may be and upon presentation to the landlord of paid receipts deduct their cost from the rent; or

(2) Recover damages based on the reduction in the fair rental value of the dwelling unit; or

(3) Procure substitute housing, in which case the tenant is excused from paying rent for the period of the landlord's noncompliance. The tenant may recover the cost of the reasonable value of the substitute housing up to an amount equal to the monthly rent for the each month or portion thereof of noncompliance as prorated.

In addition to the remedies set forth in Section 5-12-110(f)(1)-(3), the tenant may:

(4) Withhold from the monthly rent an amount that reasonably reflects the reduced value of the premises due to the material noncompliance or failure if the landlord fails to correct the condition within 24 hours after being notified by the tenant; provided, however, that no rent shall be withheld if the failure is due to the inability of the utility provider to provide service; or

(5) Terminate the rental agreement by written notice to the landlord if the material noncompliance or failure persists for more than 72 hours after the tenant has notified the landlord of the material noncompliance or failure; provided, however, that no termination shall be allowed if the failure is due to the inability of the utility provider to provide service. If the rental agreement is terminated, the landlord shall return all prepaid rent, security deposits and interest thereon in accordance with Section 5-12-080 and tenant shall deliver possession of the dwelling unit to the landlord within 30 days after the expiration of the 72-hour time period specified in the notice. If possession shall not be so delivered, then the tenant's notice shall be deemed withdrawn and the lease shall remain in full force and effect.

If the tenant proceeds under this subsection (f), he may not proceed under subsections (c) or (d). The tenant may not exercise his rights under this subsection if the condition was caused by the deliberate or negligent act or omission of the tenant, a member of his family, or other person on the premises with his consent. Before correcting a condition, the repair of which will affect more than his own dwelling unit, the tenant shall notify all other tenants affected and shall cause the work to be done so as to result in the least practical inconvenience to other tenants.

(g) Fire or Casualty Damage. If the dwelling unit or common area are damaged or destroyed by fire or casualty to an extent that the dwelling unit is in material noncompliance with the rental agreement or with Section 5-12-070, the tenant may:

(1) Immediately vacate the premises and notify the landlord in writing within 14 days thereafter of the tenant's intention to terminate the rental agreement, in which case the rental agreement terminates as of the date of the fire or casualty; or

(2) If continued occupancy is lawful, vacate any part of the dwelling unit rendered unusable by the fire or casualty, in which case the tenant's liability for rent is reduced in proportion to the reduction in the fair rental value of the dwelling unit; or

(3) If the tenant desires to continue the tenancy, and if the landlord has promised or begun work to repair the damage or destruction but fails to carry out the work to restore the dwelling unit or common area diligently and within a reasonable time, notify the landlord in writing within 14 days after the tenant becomes aware that the work is not being carried out diligently or within a reasonable time of the tenant's intention to terminate the rental agreement, in which case the rental agreement terminates as of the date of the fire or casualty.

If the rental agreement is terminated under this subsection (g), the landlord shall return all security and all prepaid rent in accordance with Section 5-12-080(d). Accounting for rent in the event of termination or apportionment shall be made as of the date of the fire or casualty. A tenant may not exercise remedies in this subsection if the fire or casualty damage was caused by the deliberate or negligent act or omission of the tenant, a member of his family or a person on the premises with his consent.

Sec. 5-12-120 Subleases. If the tenant terminates the rental agreement prior to its expiration date, except for cause authorized by this chapter, the landlord shall make a good faith effort to re-rent the tenant's dwelling unit at a fair rental, which shall be the rent charged for comparable dwelling units in the premises or in the same neighborhood. The landlord shall accept a reasonable sublease proposed by the tenant without an assessment of additional fees or

charges.

If the landlord succeeds in re-renting the dwelling unit at a fair rental, the tenant shall be liable for the amount by which the rent due from the date of premature termination to the termination of the initial rental agreement exceeds the fair rental subsequently received by the landlord from the date of premature termination to the termination of the initial rental agreement.

If the landlord makes a good-faith effort to re-rent the dwelling unit at a fair rental and is unsuccessful, the tenant shall be liable for the rent due for the period of the rental agreement. The tenant shall also be liable for the reasonable advertising costs incurred by the landlord in seeking to re-rent the dwelling unit.

Sec. 5-12-130 Landlord remedies. Every landlord shall have the remedies specified in this section for the following circumstances:

(a) *Failure to Pay Rent*. If all or any portion of rent is unpaid when due and the tenant fails to pay the unpaid rent within five days after written notice by the landlord of his intention to terminate the rental agreement if rent is not so paid, the landlord may terminate the rental agreement. Nothing in this subsection shall affect a landlord's obligation to provide notice of termination of tenancy in subsidized housing as required under federal law or regulations. A landlord may also maintain an action for rent and/or damages without terminating the rental agreement.

(b) *Noncompliance by Tenant*. If there is material noncompliance by a tenant with a rental agreement or with Section 5-12-040, the landlord of such tenant's dwelling unit may deliver written notice to the tenant specifying the acts and/or omissions constituting the breach and that the rental agreement will terminate upon a date not less than ten days after receipt of the notice, unless the breach is remedied by the tenant within that period of time. If the breach is not remedied within the 10-day period, the residential rental agreement shall terminate as provided in the notice. The landlord may recover damages and obtain injunctive relief for any material noncompliance by the tenant with the rental agreement or with Section 5-12-040. If the tenant's noncompliance is wilful, the landlord may also recover reasonable attorney's fees.

(c) *Failure to Maintain*. If there is material noncompliance by the tenant with Section 5-12-040 (other than subsection (g) thereof), and the tenant fails to comply as promptly as conditions permit in case of emergency or in cases other than emergencies within 14 days of receipt of written notice by the landlord specifying the breach and requesting that the tenant remedy it within that period of time, the landlord may enter the dwelling unit and have the necessary work done in the manner required by law. The landlord shall be entitled to reimbursement from the tenant of the costs of repairs under this section.

(d) *Disturbance of Others*. If the tenant violates Section 5-12-040(g) within 60 days after receipt of a written notice as provided in subsection (b), the landlord may obtain injunctive relief against the conduct constituting the violation, or may terminate the rental agreement on ten days' written notice to the tenant.

(e) *Abandonment*. Abandonment of the dwelling unit shall be deemed to have occurred when:

(1) Actual notice has been provided to the landlord by the tenant indicating the tenant's intention not to return to the dwelling unit; or

(2) All persons entitled under a rental agreement to occupy the dwelling unit have been absent from the unit for a period of 21 days or for one rental period when the rental agreement is for less than a month, and such persons have removed their personal property from the premises, and rent for that period is unpaid; or

(3) All persons entitled under a rental agreement to occupy the dwelling unit have been absent from the unit for a period of 32 days, and rent for that period is unpaid.

Notwithstanding the above, abandonment of the dwelling unit shall not be deemed to have occurred if any person entitled to occupancy has provided the landlord a written notice indicating that he still intends to occupy the unit and makes full payment of all amounts due to the landlord.

If the tenant abandons the dwelling unit, the landlord shall make a good faith effort to re-rent it at a fair rental, which shall be the rent charged for comparable dwelling units in the premises or in the same neighborhood. If the landlord succeeds in re-renting the dwelling unit at a fair rental, the tenant shall be liable for the amount by which the rent due from the date of abandonment to the termination of the initial rental agreement exceeds the fair rental subsequently received by

the landlord from the date of abandonment to the termination of the initial rental agreement. If the landlord makes a good faith effort to re-rent the dwelling unit at a fair rental and is unsuccessful, the tenant shall be liable for the rent due for the period of the rental agreement. The tenant shall also be liable for the reasonable advertising expenses and reasonable redecoration costs incurred by the landlord pursuant to this subsection.

(f) *Disposition of Abandoned Property*. If the tenant abandons the dwelling unit as described in subsection (e) hereof, or fails to remove his personal property from the premises after termination of a rental agreement, the landlord shall leave the property in the dwelling unit or remove and store all abandoned property from the dwelling unit and may dispose of the property after seven days. Notwithstanding the foregoing, if the landlord reasonably believes such abandoned property to be valueless or of such little value that the cost of storage would exceed the amount that would be realized from sale, or if such property is subject to spoilage, the landlord may immediately dispose of such property.

(g) *Waiver of Landlord's Right to Terminate*. If the landlord accepts the rent due knowing that there is a default in payment of rent by the tenant he thereby waives his right to terminate the rental agreement for that breach.

(h) *Remedy After Termination*. If the rental agreement is terminated, the landlord shall have a claim for possession and/or for rent.

(i) *Notice or Renewal of Rental Agreement*. No tenant shall be required to renew a rental agreement more than 90 days prior to the termination date of the rental agreement. If the landlord violates this subsection, the tenant shall recover one month's rent or actual damages, whichever is greater.

(j) *Notice or Refusal to Renew Rental Agreement*. Provided that the landlord has not exercised, or is not in the process of exercising, any of its rights under Section 5-12-130 (a)-(h) hereof, the landlord shall notify the tenant in writing at least 30 days prior to the stated termination date of the rental agreement of the landlord's intent either to terminate a month to month tenancy or not to renew an existing rental agreement. If the landlord fails to give the required written notice, the tenant may remain in the dwelling unit for up to 60 days after the date on which such required written notice is given to the tenant, regardless of the termination date specified in the existing rental agreement. During such occupancy, the terms and conditions of the tenancy (including, without limitation, the rental rate) shall be the same as the terms and conditions during the month of tenancy immediately preceding the notice; provided, however, that if rent was waived or abated in the preceding month or months as part of the original rental agreement, the rental amount during such 60-day period shall be at the rate established on the last date that a full rent payment was made.

Sec. 5-12-140 Rental agreement. Except as otherwise specifically provided by this chapter, no rental agreement may provide that the landlord or tenant:

(a) Agrees to waive or forego rights, remedies or obligations provided under this chapter;

(b) Authorizes any person to confess judgment on a claim arising out of the rental agreement;

(c) Agrees to the limitation of any liability of the landlord or tenant arising under law;

(d) Agrees to waive any written termination of tenancy notice or manner of service thereof provided under state law or this chapter;

(e) Agrees to waive the right of any party to a trial by jury;

(f) Agrees that in the event of a lawsuit arising out of the tenancy the tenant will pay the landlord's attorney's fees except as provided for by court rules, statute, or ordinance;

(g) Agrees that either party may cancel or terminate a rental agreement at a different time or within a shorter time period than the other party, unless such provision is disclosed in a separate written notice;

(h) Agrees that a tenant shall pay a charge, fee or penalty in excess of $10.00 per month for the first $500.00 in monthly rent plus five percent per month for any amount in excess of $500.00 in monthly rent for the late payment of rent;

(i) Agrees that, if a tenant pays rent before a specified date or within a specified time period in the month, the tenant shall receive a discount or reduction in the rental amount in excess of

$10.00 per month for the first $500.00 in monthly rent plus five percent per month for any amount in excess of $500.00 in monthly rent.

A provision prohibited by this section included in a rental agreement is unenforceable. The tenant may recover actual damages sustained by the tenant because of the enforcement of a prohibited provision. If the landlord attempts to enforce a provision in a rental agreement prohibited by this section the tenant may recover two months' rent.

Sec. 5-12-150 Prohibition on retaliatory conduct by landlord. It is declared to be against public policy of the City of Chicago for a landlord to take retaliatory action against a tenant, except for violation of a rental agreement or violation of a law or ordinance. A landlord may not knowingly terminate a tenancy, increase rent, decrease services, bring or threaten to bring a lawsuit against a tenant for possession or refuse to renew a lease or tenancy because the tenant has in good faith:

(a) Complained of code violations applicable to the premises to a competent governmental agency, elected representative or public official charged with responsibility for enforcement of a building, housing, health or similar code; or

(b) Complained of a building, housing, health or similar code violation or an illegal landlord practice to a community organization or the news media; or

(c) Sought the assistance of a community organization or the news media to remedy a code violation or illegal landlord practice; or

(d) Requested the landlord to make repairs to the premises as required by a building code, health ordinance, other regulation, or the residential rental agreement; or

(e) Becomes a member of a tenant's union or similar organization; or

(f) Testified in any court or administrative proceeding concerning the condition of the premises; or

(g) Exercised any right or remedy provided by law.

If the landlord acts in violation of this section, the tenant has a defense in any retaliatory action against him for possession and is entitled to the following remedies: he shall recover possession or terminate the rental agreement and, in either case, recover an amount equal to and not more than two months' rent or twice the damages sustained by him, whichever is greater, and reasonable attorneys' fees. If the rental agreement is terminated, the landlord shall return all security and interest recoverable under Section 5-12-080 and all prepaid rent. In an action by or against the tenant, if there is evidence of tenant conduct protected herein within one year prior to the alleged act of retaliation, that evidence shall create a rebuttable presumption that the landlord's conduct was retaliatory. The presumption shall not arise if the protected tenant activity was initiated after the alleged act of retaliation.

Sec. 5-12-160 Prohibition on interruption of tenant occupancy by landlord. It is unlawful for any landlord or any person acting at his direction knowingly to oust or dispossess or threaten or attempt to oust or dispossess any tenant from a dwelling unit without authority of law, by plugging, changing, adding or removing any lock or latching device; or by blocking any entrance into said unit; or by removing any door or window from said unit; or by interfering with the services to said unit; including but not limited to electricity, gas, hot or cold water, plumbing, heat or telephone service; or by removing a tenant's personal property from said unit; or by the removal or incapacitating of appliances or fixtures, except for the purpose of making necessary repairs; or by the use or threat of force, violence or injury to a tenant's person or property; or by any act rendering a dwelling unit or any part thereof or any personal property located therein inaccessible or uninhabitable. The foregoing shall not apply where:

(a) A landlord acts in compliance with the laws of Illinois pertaining to forcible entry and detainer and engages the sheriff of Cook County to forcibly evict a tenant or his personal property; or

(b) A landlord acts in compliance with the laws of Illinois pertaining to distress for rent; or

(c) A landlord interferes temporarily with possession only as necessary to make needed repairs or inspection and only as provided by law; or

(d) The tenant has abandoned the dwelling unit, as defined in Section 5-12-130(e).

Whenever a complaint of violation of this provision is received by the Chicago Police Department, the department shall investigate and determine whether a violation has occurred. Any person found guilty of violating this section shall be fined not less then $200.00 nor more than $500.00, and each day that such violation shall occur or continue shall constitute a separate and distinct offense for which a fine as herein provided shall be imposed. If a tenant in a civil legal proceeding against his landlord establishes that a violation of this section has occurred he shall be entitled to recover possession of his dwelling unit or personal property and shall recover an amount equal to not more than two months' rent or twice the actual damages sustained by him, whichever is greater. A tenant may pursue any civil remedy for violation of this section regardless of whether a fine has been entered against the landlord pursuant to this section.

Sec. 5-12-170 Summary of ordinance attached to rental agreement. The commissioner of the department of planning and development shall prepare a summary of this chapter, describing the respective rights, obligations and remedies of landlords and tenants hereunder, and shall make such summary available for public inspection and copying. The commissioner shall also, after the city comptroller has announced the rate of interest on security deposits on the first business day of the year, prepare a separate summary describing the respective rights, obligations and remedies of landlords and tenants with respect to security deposits, including the new interest rate as well as the rate for each of the prior two years. The commissioner shall also distribute the new rate of security deposit interest, as well as the rate for each of the prior two years, through public service announcements to all radio and television outlets broadcasting in the city. A copy of such summary shall be attached to each written rental agreement when any such agreement is initially offered to any tenant or prospective tenant by or on behalf of a landlord and whether such agreement is for a new rental or a renewal thereof. Where there is an oral agreement, the landlord shall give to the tenant a copy of the summary.

The summary shall include the following language:

"The porch or deck of this building should be designed for a live load of up to 100 pounds, per square foot and is safe only for its intended use. Protect your safety. Do not overload the porch or deck. If you have questions about porch or deck safety, call the City of Chicago non-emergency number, 3-1-1."

If the landlord acts in violation of this section, the tenant may terminate the rental agreement by written notice. The written notice shall specify the date of termination no later than 30 days from the date of the written notice. If a tenant in a civil legal proceeding against his landlord establishes that a violation of this section has occurred, he shall be entitled to recover $100.00 in damages.

Sec. 5-12-180 Attorney's fees. Except in cases of forcible entry and detainer actions, the prevailing plaintiff in any action arising out of a landlord's or tenant's application of the rights or remedies made available in this ordinance shall be entitled to all court costs and reasonable attorney's fees; provided, however, that nothing herein shall be deemed or interpreted as precluding the awarding of attorney's fees in forcible entry and detainer actions in accordance with applicable law or as expressly provided in this ordinance.

Sec. 5-12-190 Rights and remedies under other laws. To the extent that this chapter provides no right or remedy in a circumstance, the rights and remedies available to landlords and tenants under the laws of the State of Illinois or other local ordinance shall remain applicable.

Sec. 5-12-200 Severability. If any provision, clause, sentence, paragraph, section, or part of this chapter or application thereof to any person or circumstance, shall for any reason be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this chapter and the application of such provision to other persons or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person and circumstances affected thereby.

CHICAGO BED BUG ORDINANCE
TABLE OF CONTENTS

DISCLAIMER

The information contained in this booklet is subject to change as the laws contained herein are continually being amended and supplemented. Furthermore, this booklet is for informational purposes only and is not intended to provide legal advice. Please consult an attorney to discuss any specific legal matters.

CHICAGO BED BUG ORDINANCE

Sec. 2-112-160 Commissioner – Enforcement powers and duties. The commissioner of health shall have the following powers and duties:

(a) Public health related powers and duties:

(1) To enforce all the laws of the state and provisions of this Code in relation to matters pertaining to the public health and sanitary conditions of the city;

(2) To enforce all regulations of the board of health or any other federal, state local authority with power to make regulations concerning the public health;

(3) To cause all nuisances affecting the health of the public to be abated with all reasonable promptness;

(4) To determine when a disease is communicable or epidemic, and establish quarantine regulations whenever it is deemed necessary;

(5) To enforce section 4-4-332, Article VIII of chapter 7-28 and all other code provisions applicable to bed bugs.

Sec. 4-4-332 Bed Bugs.

(a) It is the responsibility of every licensee under this title 4 to provide pest control services when an infestation of bed bugs is found or suspected on any licensed premises. Every licensee shall maintain a written record of the pest control measures performed by the pest management professional and shall include reports and receipts prepared by the pest management professional relating to those measures taken. The record shall be maintained for three years and shall be open to inspection by the departments of health, buildings, and business affairs and consumer protection.

(b) It shall be unlawful for any licensee under this title 4 which provides sleeping accommodations for hire or rent for transient occupancy by guests to rent, hire, or otherwise provide, any such sleeping accommodation in which an infestation of any bed bugs is found or suspected, unless an inspection by the pest management professional has determined that no evidence of bed bugs can be found and verified.

(c) For purposes of this section, the following definitions apply:

"Pest management professional" has the same meaning ascribed to that term in Section 7-28-810.

"Transient occupancy" means any occupancy on a daily or nightly basis, or any part thereof, for 30 or fewer consecutive days.

Sec. 5-12-040 Tenant responsibilities. Every tenant must:

(a) Comply with all obligations imposed specifically upon tenants by provisions of the municipal code applicable to dwelling units, including Section 7-28-850

Sec. 5-12-101 Bed bugs – Education. For any rental agreement for a dwelling unit entered into or renewed after the effective date of this 2013 amendatory ordinance, prior to entering into or renewing such agreement, the landlord or any person authorized to enter into such agreement on his behalf shall provide to such tenant the informational brochure on bed bug prevention and treatment prepared by the Department of Health pursuant to Section 7-28-860.

Sec. 7-28-370 Disposal of furnishings, bedding, clothing or other materials infested with bed bugs.

(a) No person shall place, discard or dispose of any bedding, clothing or other materials infested with bed bugs on the public way or in a refuse container or dumpster located on the parkway, except when such bedding, clothing or other material is placed in or near the person's refuse container or dumpster for pick-up as trash and the bedding, clothing or other material is totally enclosed in a plastic bag and labeled as being infested with bed bugs.

(b) No furnishing, bedding, clothing or other material infested with bed bugs shall be recycled.

(c) For purposes of this section, "bedding" has the same meaning ascribed to that term in Section 7-28-810.

ARTICLE VIII – BED BUGS

Sec. 7-28-810 Definitions. As used in this article, the following terms are defined as follows:

"Bedding" means any mattress, box spring, foundation, or studio couch made in whole or part from new or secondhand fabric, filling material, or other textile product or material and which can be used for sleeping or reclining purposes.

"Commissioner" means the commissioner of public health.

"Dwelling unit," "landlord," "rent" and tenant" have the meaning ascribed to those terms in Section 5-12-030.

"Multiple rental unit building" means a building which contains two or more rental units. A "multiple rental unit building" does not include a condominium or cooperative building.

"Pest Management Professional" means a person who: (i) is licensed, registered or certified by the State of Illinois to perform pest control services pursuant to the Structural Pest Control Act, 235 ILCS 235; (ii) has attended courses or undergone training for the proper method for the extermination of bed bugs; and (iii) follows National Pest Management Association Best Practices for the extermination of bed bugs.

"Rental unit" means any dwelling unit which is not owner occupied and is held out for rent to tenants, including any single family home held out for rent to tenants.

Sec. 7-28-820 Bed bugs – Nuisance. Bed bugs are hereby declared to be a public nuisance subject to the abatement provisions of this chapter.

Sec. 7-28-830 Bed bug infestation – duty to exterminate.

(a) In any rental unit in which an infestation of bed bugs is found or reasonably suspected, it is the responsibility of the landlord to:

(1) provide pest control services by a pest management professional unit such time that no evidence of bed bugs can be found and verified; and

(2) maintain a written record of the pest control measures performed by the pest management professional on the rental unit. The record shall include reports and receipts prepared by the pest management professional. The record shall be maintained for three years and shall be open to inspection by authorized city personnel, including but not limited to employees of the Departments of Health and Buildings.

(b) In any multiple rental unit building in which an infestation of bed bugs is found or reasonably suspected, it is the responsibility of the landlord to:

(1) provide pest control services by a pest management professional until such time that no evidence of bed bugs can be found and verified within the building or portion thereof, including the individual rental units; and

(2) maintain a written record of the pest control measures performed by pest management professional on the rental unit. The record shall be maintained for three years and shall be open to inspection by authorized city personnel, including but not limited to employees of the Departments of Health and Buildings.

(c) A landlord shall provide the pest control services within 10 days after:

(1) a bed bug is found or reasonably suspected anywhere on the premises; or

(2) being notified in writing by a tenant of a known or reasonably suspected bed bug infestation on the premises or in the tenant's rental unit.

(d) The extermination of bed bugs shall be by:

(1) inspection, and if necessary, the treatment of the dwelling unit on either side of the affected dwelling unit and the unit directly above and below the affected dwelling unit. This pattern of inspection and treatment shall be continued until no further infestation is detected; or

(2) any other method approved by the commissioner in rules and regulations.

(e) A landlord may not knowingly terminate a tenancy, increase rent, decrease services, bring or threaten to bring a lawsuit against a tenant for possession or refuse to renew a lease or tenancy

because the tenant has in good faith:

(1) complained of a bed bug infestation within the tenant's rental unit or the premises in which the tenant's rental unit is located to a competent governmental agency, elected representative or public official charged with responsibility for enforcement of a building, housing, health or similar code;

(2) complained of a bed bug infestation within the tenant's rental unit or the premises in which the tenant's rental unit is located to a community organization or the news media;

(3) sought the assistance of a community organization or the news media to remedy a bed bug infestation within the tenant's rental unit or the premises in which the tenant's rental unit is located;

(4) requested the landlord to provide pest control measures for a bed bug infestation as required by a building code, health ordinance, other regulation, or the residential rental agreement; or

(5) testified in any court or administrative proceedings concerning any bed bug infestation within the tenant's rental unit or the premises in which the tenant's rental unit is located.

If the landlord acts in violation of this subsection (e), the tenant has a defense in any retaliatory action against him for possession and is entitled to recover possession of the rental unit or terminate the rental agreement and, in either case, may recover an amount equal to two months rent or twice the damages sustained by him, whichever is greater, and reasonable attorneys' fees. If the rental agreement is terminated, the landlord shall return all security and interest recoverable under Section 5-12-080 and all prepaid rent. In an action by or against the tenant, if there is evidence of tenant conduct protected herein within one year prior to the alleged act or retaliation, that evidence shall create a rebuttable presumption that the landlord's conduct was retaliatory. The presumption shall not arise if the protected tenant activity was initiated after the alleged act of retaliation.

Sec. 7-28-840 Condominium and cooperative buildings-plan for treatment of bed bugs.

(a) No later than 90 days after the effective date of this section, the governing association of a condominium or cooperative building shall prepare a pest management plan for the detection, inspection and treatment of bed bugs in the building. The plan shall include provisions of Section 7-28-830(c).

(b) The governing association shall maintain written records of any pest control measures in the building performed by a pest management professional retained by the governing association and any report prepared by the pest management professional. The plan and records shall be:

(1) maintained either on-site in the building or at the property management office;

(2) maintained for three years; and

(3) open to inspection upon request by authorized city personnel, including but not limited to employees of the Departments of Health and Buildings.

(c) Every owner of condominium unit or a lessee with a proprietary lease in a cooperative shall immediately notify, in writing, the governing association of any known or reasonably suspected bed bug infestation in the presence of the unit or cooperative, clothing, furniture or other personal property located in the unit or cooperative, and cooperate with the governing association in the control, treatment and eradication of bed bug infestation found or suspected to be in the unit or cooperative.

(d) For purposes of this Section the following definitions apply:

"Condominium unit" or "unit" has the meaning ascribed to that term in Section 13-72-010.

"Cooperative building" means a building or buildings and the tract, lot, or parcel on which the building or buildings are located and fee title to the land and building or buildings is owned by a corporation or other legal entity in which the shareholders or other co-owners each also have a long-term proprietary lease or other long-term arrangement of exclusive possession for a specific unit of occupancy space located within the same building or buildings.

"Cooperative" is an individual dwelling unit within a cooperative building.

"Governing association" means the board of managers of a condominium homeowners'

association or the board of directors of a cooperative building.

(e) The commissioner shall prepare and post on the health department's publicly accessible website a sample plan for the detection, inspection and treatment of bed bugs for the governing association of condominium or cooperative building. The sample plan shall set forth the best practices for the detection and treatment of bed bugs in such buildings.

Sec. 7-28-850 Tenant Responsibility

(a) Within 5 days after a tenant finds or reasonability suspects a bed bug infestation in the presence of the tenant's dwelling unit, the tenant shall notify, in writing, the landlord of any known or reasonably suspected bed bug infestation in the presence of the tenant's dwelling unit, clothing, furniture or other personal property located in the building, or of any recurring or unexplained bites, stings, irritation, or sores of the skin or body which the tenant reasonably suspects is caused by bed bugs.

(b) The tenant shall cooperate with the landlord in the control, treatment and eradication of bed bug infestation found or reasonably suspected to be, in the tenant's rental unit. As part of that cooperation, the tenant shall:

(1) not interfere with inspections or treatments;

(2) after reasonable notice in writing to the tenant, grant access at reasonable times to the tenant's rental unit for purposes of bed bug infestation inspection or treatment;

(3) make any necessary preparations, such as cleaning, dusting or vacuuming, prior to treatment in accordance with any pest management professional's recommendations; and

(4) dispose of any personal property that a pest management professional has determined cannot be treated or cleaned before the treatment of the tenant's dwelling unit.

(5) prior to removing any personal property from the tenant's dwelling unit, safely enclose in a plastic bag any such personal property while it is being moved through any common area of the building, or stored at any other location. The personal property shall remained enclosed in a plastic bag until such time that the property is either properly disposed of or treated and no evidence of bed bug infestation can be found and verified.

(c) Prior to inspection or treatment for bed bug infestation, the landlord shall send a written notice to the tenant of the rental unit being inspected or treated, which advises the tenant of the tenant's responsibilities under this section and sets forth the specific preparations required by the tenant.

(d) This section shall not apply to any tenant of an assisted living or shared housing establishment, or similar living arrangement, when the establishment is required to provide the tenant assistance with activities of daily living or mandatory services. In such cases, the landlord will be responsible to make the necessary preparations, such as cleaning, dusting or vacuuming, of the tenant's rental unit prior to treatment in accordance with any pest management professional's recommendations. For purposes of this subsection, the terms "assistance with activities of daily living," "assisted living establishment," "mandatory services" and 'shared housing establishment" have the meaning ascribed to those terms in the Illinois Assisted Living and Shared Housing Act, 210 ILCS 9/10.

Sec. 7-28-860 Sale of secondhand bedding.

(a) For purposes of this Section, the following definitions apply:

"Act" means the Illinois Safe and Hygienic Bed Act, 410 ILCS 68/1.

"Bedding," "manufacturer," "renovator," "rebuilder," repairer," sanitizer," and 'secondhand material" have the meaning ascribed to those terms in Section 410 ILCS 68/5 of the Act.

"Secondhand bedding" means bedding that is made in whole or part from secondhand material or that has been previously used or owned.

(b) Every manufacturer, renovator, rebuilder, repairer and sanitizer of bedding whose product is sold in the city shall comply with the Act.

(c) Every person who sells at retail any secondhand bedding shall post in a conspicuous location nearby the secondhand bedding a written notice in English, Spanish, Polish and Chinese that the bedding is made in whole or part from secondhand material or was previously owned or

used.

(d) Every person who sells at retail any secondhand bedding shall provide to the purchaser of such secondhand bedding a written notice in English, Spanish, Polish and Chinese that the bedding is made in whole or part from secondhand material or has been previously owned or used.

(e) Every person who sells at retail any new or secondhand bedding shall inspect all material for soiling, malodor, and pest infestation, including bed bugs, prior to use, sale or distribution of the bedding. If any material in the bedding appears to be soiled, malodorous or infested with pests, the person shall not use, sell or distribute such bedding. If the bedding is infested with bed bugs, the person shall dispose of such bedding and material in an enclosed plastic bag and labeled as being infested with bed bugs.

Sec. 7-28-870 Public information. The commissioner shall prepare and post on the health department's publicly available website:

(a) a brochure containing, at a minimum, the following:

(1) a statement that the presence of bed bugs in any building or dwelling unit is a public nuisance;

(2) information on how to detect the presence of bed bugs.

(3) information on how to prevent the spread of bed bugs within and between buildings;

(4) a statement that tenants shall contact their landlord as soon as practicable if they suspect they have bed bugs in their dwelling unit; and

(5) contact information as to where people can obtain more information; and

(b) information relating to licensing, registration or certification by the State of Illinois to perform pest control services.

Sec. 7-28-880 Rules. The commissioner of health and the commissioner of buildings shall have joint authority to promulgate rules and regulations necessary to implement this article.

Sec. 7-28-890 Enforcement

(a) Inspectors from the Departments of Buildings and Health shall have authority to inspect the interior and exterior of buildings, other structures, or parcels on which a building is located for bed bug infestation and when any evidence is found indicating the presence of bed bugs at that site and to report such evidence to the appropriate commissioner.

(b) This article may be enforced by the Departments of Health or Buildings. In addition, the Department of Business Affairs and Consumer Protection shall have the authority to enforce Section 7-28-860.

Sec. 7-28-900 Violation – Penalties. Any person who violates this article shall be fined not less than $300 nor more than $500 for the first violation, not less than $500 nor more than $1,000 for the second violation within twelve-months of the first violation, and (3) not less than $1,000 nor more than $2,000 for the third or subsequent violation within such twelve-month period. Each day that a violation continues shall constitute a separate and distinct offence to which a separate fine shall apply.

SAMPLE BED BUG PLAN AS PUBLISHED BY THE DEPARTMENT OF PUBLIC HEALTH

Condominium or Cooperative Name: _____

Address: _____

Sample Plan for Preventing and Managing Bed Bugs in Condominium or Cooperative Buildings

In 2013, the City of Chicago passed an ordinance to help address the problem of bed bugs. In order to help residents of condominiums and cooperative buildings, the ordinance calls on governing associations of condominium or cooperative buildings to prepare a plan to manage bed bugs.

To assist associations to develop their plans, the Chicago Department of Public Health (CDPH) created this sample plan. Governing associations may wish to adopt this plan in its entirety or to develop their own plan. Regardless, governing associations **MUST** have a plan in place by March 24, 2014. In addition to having a plan, the ordinance requires the following from governing associations and unit owners:

- Governing associations **SHALL** maintain written records of any pest control measures performed by a pest management professional and any report prepared by the pest management professional, and maintain these records either on-site or at the property management office for three years. These records shall be available for review upon request by authorized city officials.
- Owners of condominium units and lessees with a proprietary lease in a cooperative **SHALL** immediately notify the governing association of any know or reasonably suspected bed bug infestation and cooperate with the governing association in managing the infestation.

Both of these items are addressed in the sample plan.

Governing associations and unit owners should be aware that owners of condominium units who lease their units, and their tenants, arc subject to additional requirements under the ordinance. For a complete listing of these requirements, visit: www.CityofChicago.org/Health and click on the bed bug button.

Instructions

Governing associations who wish to adopt this plan in its entirety simply need to provide the name and address of the association where indicated and maintain the plan as part of the records of the association. Governing associations are not required to submit the plan to the City as evidence of having a plan, nor will the City accept these plans.

Governing associations who wish to modify this plan or develop their own are asked to affix their name and address to the plan and maintain the plan as part of the records of the association. Governing associations are not required to submit the plan to the City for review or as evidence of having a plan, nor will the City accept or review such plans.

Condominium or Cooperative Name: _____

Address: _____

Plan for Preventing and Managing Bed Bugs

How to use this plan

This plan includes three steps:

1) EDUCATE
2) RESPOND
3) MONITOR

Each of these steps includes a number of activities and designations for who should complete these activities. Where applicable, there are references to supporting documents or links to websites. The plan concludes with some questions that governing associations and unit owners may wish to consider.

EDUCATE

EDUCATING owners about bed bugs will help prevent bed bugs from occurring, encourage reporting should bed bugs occur, facilitate inspection and treatment of bed bugs, and minimize the blame and stigma so often associated with bed bugs.

- ✓ ***Governing associations*** should provide the fact sheet entitled *Bed Bug Fact Sheet for Condominium or Cooperative Buildings* to all current and future owners. To access copies of this fact sheet, visit: www.CityofChicago.org/Health and click on the bed bug button.
- ✓ ***Governing associations*** should provide owners with additional information about bed bugs, post information about bed bugs in common areas of the building, share information about bed bugs through email, newsletters or other means, and discuss bed bugs during meetings of the governing association or owners. To access additional information, visit: www.CityofChicago.org/Health and click on the bed bug button.
- ✓ ***Owners of condominium units or lessees with a proprietary lease in a cooperative (here-after collectively referred to as "unit owners")*** should be aware that per the ordinance, they are obligated to report any known or suspected bed bug problem within their unit to the governing association and cooperate with the governing association in managing the problem.

RESPOND

RESPONDING to any reports of bed bugs will help minimize the further spread of bed bugs, and ensure that bed bugs are eliminated quickly and effectively.

- ✓ When a unit owner reports a bed bug problem in their unit, ***governing associations*** may wish to attempt to confirm the presence of bed bugs in that unit. This can be done by gathering additional information from the unit owner, asking the unit owner to capture what they believe to be a bed bug (and seal it in a plastic baggie) and conducting a cursory inspection of the unit. Evidence suggesting the presence of bed bugs includes one or more of the following (refer to the web site listed previously for additional information and photos):

Condominium or Cooperative Name: _____

Address: _____

- ✓ There are one or more bugs that are recognizable as bed bugs.
- ✓ There are markings, droppings or eggs that are consistent with those from a bed bug.
- ✓ The occupant(s) of the unit has bite marks consistent with those from a bed bug.

✓ If the bed bug report is confirmed, or should the governing association choose not to want to confirm the presence themselves, the ***governing association,*** not the unit owner, should hire and oversee the work of a pest control company. Tips on choosing a pest control company can be found at the web site listed previously.

✓ If bed bugs are confirmed, the ***governing association*** should designate a lead to coordinate next steps with unit owners and the pest control company. The ***lead*** should be responsible for the following initial steps:

- ✓ *The* ***lead*** should notify unit owners of the problem and of the immediate steps being taken to address it.
- ✓ *The* ***lead*** should discourage unit owners from taking any individual action to treat bed bugs. Treating bed bugs inappropriately with "bug bombs", chemicals or other means may cause them to spread further or may cause harm to occupants.
- ✓ *The* ***lead*** should discourage unit owners from discarding items. Discarding items before a pest control company has had a chance to inspect them may cause the owner to loose items that can be treated and may risk spreading bed bugs further throughout the building.
- ✓ *The* ***lead*** should remind unit owners of simple steps that can be used to treat clothing, linens and other items. These steps can be found in the fact sheet entitled *Bed Bug Fact Sheet for Condominium or Cooperative Buildings.*

✓ Once a pest control company is hired, the ***lead*** should provide the information requested of the pest control company to guide the initial inspection, and the ***lead*** and/or ***unit owners*** should be responsible for the following steps:

- ✓ The ***lead*** should work with the pest control company and the ***unit owners*** to develop a schedule for inspecting the units. Though the pest control company will identify the unit(s) in addition to the one with the problem that need to be inspected, it is generally recommended that units on either side, above and below the unit with the problem be inspected.
- ✓ ***Unit owners*** should follow the recommendations of the pest control company to prepare their unit for inspection.
- ✓ Once the unit(s) have been inspected, the ***lead*** and ***unit owners*** should meet with the pest control company to review and discuss the findings from the inspection. The pest control company will then present a plan for treatment, if needed.

Condominium or Cooperative Name: _____

Address: _____

- ✓ If treatment is indicated, the ***lead*** should work with the pest control company and the ***unit owners*** to develop a schedule for treatment.
- ✓ ***Unit owners*** should follow the recommendations of the pest control company to prepare their unit for treatment and to discard items the pest control company feels can't be treated. Before discarding items, unit owners should refer to instructions in the fact sheet entitled *Bed Bug Fact Sheet for Condominium or Cooperative Buildings.*
- ✓ Once the unit(s) have been treated, the ***lead*** and ***units owners*** should once again meet with the pest control company to review and discuss the treatment that was provided, and discuss any additional findings. The pest control company will then present a plan for re-inspections. When indicated, the lead and unit owners should work with the pest control company to develop a schedule for re-inspections and re-treatment, if indicated.
- ✓ ***The governing association*** should maintain written records of any pest control measures and any report prepared by the pest control company. These records should be maintained either on-site or at the property management office for three years.

MONITOR

MONITORING for evidence of bed bugs will help identify any recurrent or new infestation and if found, minimize the further spread of bed bugs and ensure that bed bugs are eliminated quickly and effectively.

- ✓ The ***governing association*** should remind unit owners to be vigilant for any signs of bed bugs and report any sightings immediately.
- ✓ The ***governing association*** should remind unit owners of ways to prevent bed bug infestations.
- ✓ The ***governing association*** may wish to consider having a pest control company conduct periodic inspections for bed bugs.

Questions for consideration:

Governing associations may wish to review and amend their by-laws to address the following questions:

1) Who should be held responsible for paying for the services provided by the pest control company?
2) Who should be held responsible for paying for any repairs that the pest control company may have recommended?
3) How does the governing association or pest management company gain access to a unit if the unit owner refuses access, or if the unit owner is unavailable to provide access?
4)

SUMMARY OF THE CHICAGO SHARED HOUSING/SHORT TERM RENTAL ORDINANCE

NOTE: The Chicago Shared Housing/Short Term Rental Ordinance only applies to "homeowners associations" (as defined below) located in the City of Chicago.

In 2016, the City of Chicago amended the Municipal Code of Chicago (the "Code") to regulate the house sharing industry. Those amendments made changes to existing provisions governing bed-and-breakfast establishments and vacation rentals, but also added new provisions governing shared housing and short term rentals of residential dwelling units.

Although there are numerous defined terms used throughout the relevant provisions of the Code, excerpts of definitions of some of the more important or new terms to be familiar with are:

- "board of directors" means the board of directors of a cooperative building. [Section 4-14-010]
- "homeowners association" means the association of all the unit owners, acting pursuant to bylaws through its duly elected board of managers. For purposes of this definition, "unit owner" means the person or persons whose estate or interest in the unit, individually or collectively, is an aggregate fee simple absolute ownership of the unit, or in the case of a leasehold condominium, the lessee or lessees of a unit whose leasehold of the unit expires simultaneously with the lease. [Section 4-6-300(a)]
- "hotel accommodations" means a room or rooms in any building or structure kept, used or maintained as or advertised or held out to the public to be an inn, motel, hotel, apartment hotel, lodging house, bed-and-breakfast establishment, vacation rental as defined in Section 4-6-300, shared housing unit as defined in Section 4-14-010, dormitory or similar place, where sleeping, rooming, office, conference or exhibition accommodations are furnished for lease or rent, whether with or without meals. [Section 3-24-020(A)(4)]
- "bed-and-breakfast establishment" means an owner-occupied single-family residential building, or an owner-occupied, multiple-family dwelling building, or an owner-occupied condominium, townhouse or cooperative, in which 11 or fewer sleeping rooms are available for rent or for hire for transient occupancy by registered guests. The term "bed-and-breakfast establishment" does not include single-room occupancy buildings as that term is defined in Section 13-4-010; shared housing units registered pursuant to Chapter 4-14 of this Code; or vacation rentals licensed pursuant to Section 4-6-300. [Section 4-6-290(a)]
- "vacation rental" means a dwelling unit that contains 6 or fewer sleeping rooms that are available for rent or for hire for transient occupancy by guests. The term "vacation rental" shall not include: (i) single-room occupancy buildings or bed-and-breakfast establishments, as those terms are defined in Section 13-4-010; (ii) hotels, as that term is defined in Section 4-6-180; (iii) a dwelling unit for which a tenant has a month-to-month rental agreement and the rental payments are paid on a monthly basis; (iv) corporate housing; (v) guest suites; or (vi) shared housing units registered pursuant to Chapter 4-14 of this Code. [Section 4-6-300(a)]
- "shared housing unit" means a dwelling unit containing 6 or fewer sleeping rooms that is rented, or any portion therein is rented, for transient occupancy by guests. The term "shared housing unit" shall not include: (1) single-room occupancy buildings; (2) hotels; (3) corporate housing; (4) bed-and-breakfast establishments; (5) guest suites; or (6) vacation rentals. [Section 4-14-010]
- "shared housing host" means an owner or tenant of a shared housing unit who rents such unit to guests. [Section 4-14-010]
- "shared housing unit operator" means any person who has registered, or who is required to register, as the shared housing host of more than one shared housing unit. [Section 4-16-100]
- "short term residential rental" means a dwelling unit located within the City [of Chicago] that is rented as, or held out as being used as, a shared housing unit, bed-and-breakfast establishment or vacation rental. [4-13-100]

- "short term residential rental intermediary" or "intermediary" means any person who, for compensation or a fee: (1) uses a platform to connect guests with a short term residential unit provider for the purpose of renting a short term residential rental, and (2) primarily lists shared housing units on its platform. [Section 4-13-100]
- "short term residential rental advertising platform" or "advertising platform" means any person who, for compensation or a fee: (1) uses a platform to connect guests with a short term residential rental provider for the purpose of renting a short term residential rental, and (2) primarily lists licensed bed-and-breakfast establishments, vacation rentals or hotels on its platform or dwelling units that require a license under this Code to engage in the business of short term residential rental. [Section 4-13-100]
- "transient occupancy" means occupancy on a daily or nightly basis, or any part thereof, for a period of 31 or fewer consecutive days. [Section 4-6-290]

Chapter 4-13 of the Code regulates short term residential rental intermediaries (e.g. Airbnb) and advertising platforms (e.g. HomeAway). Pursuant to this Chapter 4-13, the City is required to maintain a "prohibited buildings list", which list identifies the addresses of all buildings whose homeowners association or board of directors has notified the City that vacation rentals and shared housing units are prohibited from operating in their building. A short term residential rental is ineligible to be listed on an intermediary or advertising platform if the building in which that short term residential rental is located is on the prohibited buildings list. The City has provided a form entitled "Affidavit for Inclusion in Prohibited Buildings List" that must be completed and submitted to the City's Department of Business Affairs and Consumer Protection in order for any building to be included in the prohibited buildings list.

Chapter 4-14 of the Code regulates shared housing units. It requires that shared housing units be registered as such with the City. Pursuant to this Chapter 4-24, no shared housing unit may be listed on a short term residential rental intermediary's platform unless it has been registered. A shared housing unit is ineligible for registration if the building in which it is located is on the prohibited buildings list. This Chapter 4-14 also provides that it is "unlawful for any shared housing host to list on any platform or rent any shared housing unit if the homeowners association or board of directors has adopted by-laws prohibiting the use of the dwelling unit as a shared housing unit or vacation rental, in any combination." (Emphasis added) [Section 4-14-060(b)]

Chapter 4-16 of the Code regulates shared housing unit operators. It requires that shared housing unit operators must obtain a license from the City. Pursuant to this Chapter 4-16, it is unlawful for any shared housing unit operator licensed under this Chapter "to engage in any act prohibited under Chapter 4-13" [Section 4-16-240], which would include listing a short term residential rental or shared housing unit on any intermediary or advertising platform when the building in which such dwelling unit is located is on the prohibited buildings list.

* * * * * * * *

THUS, THE KEY FACTOR TO AVOID SHARED HOUSING IN THE CITY OF CHICAGO IS TO BE INCLUDED IN THE "PROHIBITED BUILDINGS LIST". FOR CONDOMINIUMS AND COMMON INTEREST COMMUNITIES, THE GENERAL APPROACH WOULD BE A DECLARATION/BY-LAWS PROVISION PROHIBITING SHORT TERM/TRANSIENT RENTALS. ADDITIONALLY, WE NOTE THAT THE "AFFIDAVIT FOR INCLUSION IN PROHIBITED BUILDINGS LIST" USES THE TERM "GOVERNING INSTRUMENTS", WHICH IT DEFINES AS "DECLARATION OF CONDOMINIUM, BYLAWS, RULES, PROPRIETARY LEASE, ETC."; HOWEVER, THE RELEVANT CODE PROVISIONS DO NOT USE THAT TERM BUT INSTEAD ONLY REFERENCE "BY-LAWS". CONSEQUENTLY, RELIANCE ON A MERE RULE AGAINST SHORT TIMER/TRANSIENT LEASING IS VERY QUESTIONABLE AND SHOULD BE CAREFULLY VERIFIED WITH LEGAL COUNSEL.

MICHAEL C. KIM
OF COUNSEL, SFBBG

Mike's practice is focused on condominium and homeowner association law, construction law, real estate law and civil litigation. He has been involved in condominium practice for almost 40 years. He has personally handled a wide range of litigation, including developer transition claims, construction defect claims, contract disputes, enforcement of declaration/bylaws/rules by injunction actions, financial mismanagement claims, consumer fraud claims, civil rights/discrimination charges, directors and officers liability defense, commercial lease disputes, sexual harassment claims, employment grievances, constitutional issues, assessment collection, easement disputes, mixed use development disputes, and deconversions.

In addition, Mike has prepared condominium documentation for developers, negotiated and documented condominium loans for both associations and lenders, prepared and negotiated contracts (involving construction, management, landscaping, snowplowing, laundry lease, bulk internet and cable TV service, alternative energy suppliers. developer transition, and antenna leases), reviewed rules and regulations, prepared declaration/bylaws amendments, assisted in election procedures and administration, conducted rules violation hearings, and counseled innumerable clients on condominium and/ or corporate issues.

Mike has taught numerous times at CAI-National's prestigious Community Association Law Seminar, has spoken at CAI National Conferences, has taught other attorneys at the Law Education Institute, National Business Institute and Lorman Education Services seminars, and has lectured for the Chicago Bar Association, the Illinois CPA Society, and the Illinois Institute for Continuing Legal Education. He has been a presenter on HOA Leader's webinars on rules enforcement.

When an adjunct professor with the John Marshall Law School, he taught at the School's Graduate Program in Real Estate Law on condominium, cooperative and common interest community law. Mike co-authored the Historical and Practice Notes to the Illinois Condominium Property Act, has long been active in legislative efforts involving the Act and has written extensively on condominium law and issues, including articles published by the John Marshall Law School, Community Associations Institute (CAI) (both National and Illinois) and the Association of Condominium, Townhome and Homeowners Associations (ACTHA).

He has served on the Board of Governors of the CAI College of Community Association Lawyers, of which he is a charter member; the College was established to recognize distinguished service to community association law and commitment to highest ethical and professional standards.

He also served as president of CAI-Illinois, during which time he encouraged use of alternative dispute resolution for community associations. Mike has served as chair of the Real Property Law Committee of the Chicago Bar Association as well as its Condominium Law Subcommittee and also as chair of the Condominium Committee of the Illinois State Bar Association Real Estate Law Section Council. He is a member of the American Bar Association's Real Property Law Section. He chaired ACTHA's Ad Hoc Committee to develop recommendations and legislative proposals to the Condominium Advisory Council established by the Illinois Legislature.

His pro bono activities have included work to develop affordable condominiums for low income families with Uptown Habitat for Humanity and work as General Counsel to the Association of Sheridan Condo Co-op Owners (ASCO).

He has been regularly sought out and quoted in various media, including the Chicago Tribune, Chicago Sun-Times, Crain's Chicago Business, the Cooperator, and WTTW Chicago (Channel 11). At times, Mike has been involved in high profile cases involving significant media attention, notably the injunction case involving Laddie (the pot-bellied pig) and a Tourette's resident's civil rights case against a client association and its directors.

For 2005 - 2008, and 2012 – 2024, Mike was recognized as an Illinois "SuperLawyer" by Law & Politics which conducted an extensive, selective search process. For 2010 through 2024, he was recognized as an Illinois "Leading Lawyer" by the Leading Lawyers Network. See Mike's profile as published in the January 2013 issue of Leading Lawyers Magazine. He has achieved an "AV" peer review rating with Martindale-Hubbell Law Directory, indicating the highest level of legal ability and ethics.

Mike received his undergraduate degree (Political Science Major) from the University of Hawaii (Manoa Campus. Honolulu, HI) and his law degree from Northwestern University School of Law (Chicago, IL). He is licensed to practice in Illinois and its courts, and also before various federal courts, including the U.S. District Court (Northern District, IL) (both General and Trial Bar), the Court of Appeals for the Seventh Circuit, and the United States Supreme Court.

SFBBG offers clients a full array of services to match the variety of their legal needs. Contact Mike Kim, michael.kim@sfbbg.com

TYPICAL SERVICES TO CLIENTS INCLUDE:

- Advice and guidance on full range of legal questions on powers, duties, requirements and operations of board of directors, such as association v. unit owner maintenance responsibilities, insurance obligations, use of common facilities, handling resident misconduct, election procedures, budget and assessment requirements and governing document interpretation

- Review and updating of declaration and by-laws to comply with current requirements of the Illinois Condominium Property Act or the Illinois Common Interest Community Association Act, as applicable

- Document preparation and step by step guidance to amend declaration and by-laws

- Prepare and review rules and regulations

- Contract review and documentation (for example, management, construction, laundry room, roof top antenna, common element alteration, cable or satellite TV, vendor, and commercial space lease agreement)

- Developer transition services, including enforcement of association's rights to documents, funds and accounting by developer as required by law, and litigation of claims against developer for construction deficiencies and other misconduct

- Negotiation and documentation of loans taken by association for major projects

- Collection of delinquent assessments and related action in foreclosure and bankruptcy proceedings.