



Rep. Timothy L. Schmitz

**Filed: 5/5/2010**

09600SB3180ham002

LRB096 20251 AJ0 41299 a

1 AMENDMENT TO SENATE BILL 3180

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3180, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

5 "Article 1

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

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

11 "Association" or "common interest community association"  
12 means the association of all the unit owners of a common  
13 interest community, acting pursuant to bylaws through its duly  
14 elected board of managers or board of directors.

15 "Board" means a common interest community association's

1 board of managers or board of directors, whichever is  
2 applicable.

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

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

14 "Board of managers" means, for a common interest community  
15 that is an unincorporated association, the group of people  
16 elected by the unit owners of a common interest community as  
17 the governing body to exercise for the unit owners of the  
18 common interest community association all powers, duties, and  
19 authority vested in the board of managers under this Act and  
20 the common interest community association's declaration and  
21 bylaws.

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

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

26 "Common expenses" means the proposed or actual expenses

1 affecting the property, including reserves, if any, lawfully  
2 assessed by the common interest community association.

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

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

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

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

26 "Developer control" means such control at a time prior to

1 the election of the board of the common interest community  
2 association by a majority of the unit owners other than the  
3 developer.

4 "Majority" or "majority of the unit owners" means the  
5 owners of more than 50% in the aggregate in interest of the  
6 undivided ownership of the common elements. Any specified  
7 percentage of the unit owners means such percentage in the  
8 aggregate in interest of such undivided ownership. "Majority"  
9 or "majority of the members of the board of the common interest  
10 community association" means more than 50% of the total number  
11 of persons constituting such board pursuant to the bylaws. Any  
12 specified percentage of the members of the common interest  
13 community association means that percentage of the total number  
14 of persons constituting such board pursuant to the bylaws.

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

22 "Master association" means a common interest community  
23 association that exercises its powers on behalf of one or more  
24 condominium or other common interest community associations or  
25 for the benefit of unit owners in such associations.

26 "Meeting of the board" or "board meeting" means any

1 gathering of a quorum of the members of the board of the common  
2 interest community association held for the purpose of  
3 conducting board business.

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

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

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

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

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

26 "Record" means to record in the office of the recorder of

1 the county wherein the property is located.

2 "Reserves" means those sums paid by unit owners which are  
3 separately maintained by the common interest community  
4 association for purposes specified by the declaration and  
5 bylaws of the common interest community association.

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

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

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

14 Section 1-15. Construction, interpretation, and validity  
15 of community instruments.

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

20 (b) All provisions of the declaration, bylaws, and other  
21 community instruments are severable.

22 (c) A provision in the declaration limiting ownership,  
23 rental, or occupancy of a unit to a person 55 years of age or  
24 older shall be valid and deemed not to be in violation of

1 Article 3 of the Illinois Human Rights Act provided that the  
2 person or the immediate family of a person owning, renting, or  
3 lawfully occupying such unit prior to the recording of the  
4 initial declaration shall not be deemed to be in violation of  
5 such age restriction so long as they continue to own or reside  
6 in such unit.

7 Section 1-20. Amendments to the declaration or bylaws.

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

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

23 (c) If an association that currently permits leasing amends  
24 its declaration, bylaws, or rules and regulations to prohibit  
25 leasing, nothing in this Act or the declarations, bylaws, rules

1 and regulations of an association shall prohibit a unit owner  
2 incorporated under 26 USC 501(c)(3) which is leasing a unit at  
3 the time of the prohibition from continuing to do so until such  
4 time that the unit owner voluntarily sells the unit; and no  
5 special fine, fee, dues, or penalty shall be assessed against  
6 the unit owner for leasing its unit.

7 Section 1-25. Board of managers, board of directors,  
8 duties, elections, and voting.

9 (a) There shall be an election of the board of managers or  
10 board of directors from among the unit owners of a common  
11 interest community association.

12 (b) The terms of at least one-third of the members of the  
13 board shall expire annually and all members of the board shall  
14 be elected at large.

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

18 (d) No member of the board or officer shall be elected for  
19 a term of more than 3 years, but officers and board members may  
20 succeed themselves.

21 (e) If there is a vacancy on the board, the remaining  
22 members of the board may fill the vacancy by a two-thirds vote  
23 of the remaining board members until the next annual meeting of  
24 unit owners or until unit owners holding 20% of the votes of  
25 the association request a meeting of the unit owners to fill



1 the vacancy for the balance of the term. A meeting of the unit  
2 owners shall be called for purposes of filling a vacancy on the  
3 board no later than 30 days following the filing of a petition  
4 signed by unit owners holding 20% of the votes of the  
5 association requesting such a meeting.

6 (f) There shall be an election of a:

7 (1) president from among the members of the board, who  
8 shall preside over the meetings of the board and of the  
9 unit owners;

10 (2) secretary from among the members of the board, who  
11 shall keep the minutes of all meetings of the board and of  
12 the unit owners and who shall, in general, perform all the  
13 duties incident to the office of secretary; and

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

16 (g) If no election is held to elect board members within  
17 the time period specified in the bylaws, or within a reasonable  
18 amount of time thereafter not to exceed 90 days, then 20% of  
19 the unit owners may bring an action to compel compliance with  
20 the election requirements specified in the bylaws. If the court  
21 finds that an election was not held to elect members of the  
22 board within the required period due to the bad faith acts or  
23 omissions of the board of managers or the board of directors,  
24 the unit owners shall be entitled to recover their reasonable  
25 attorney's fees and costs from the association. If the relevant  
26 notice requirements have been met and an election is not held

1 solely due to a lack of a quorum, then this subsection (g) does  
2 not apply.

3 (h) Where there is more than one owner of a unit, if only  
4 one of the multiple owners is present at a meeting of the  
5 association, he or she is entitled to cast all the votes  
6 allocated to that unit. A unit owner may vote:

7 (1) by proxy executed in writing by the unit owner or  
8 by his or her duly authorized attorney in fact, provided,  
9 however, that the proxy bears the date of execution. Unless  
10 the community instruments or the written proxy itself  
11 provide otherwise, proxies will not be valid for more than  
12 11 months after the date of its execution; or

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

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

18 (i) The association may, upon adoption of the appropriate  
19 rules by the board, conduct elections by secret ballot whereby  
20 the voting ballot is marked only with the voting interest for  
21 the unit and the vote itself, provided that the association  
22 shall further adopt rules to verify the status of the unit  
23 owner issuing a proxy or casting a ballot. A candidate for  
24 election to the board or such candidate's representative shall  
25 have the right to be present at the counting of ballots at such  
26 election.

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

11           Section 1-30. Board duties and obligations; records.

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

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

1 spouse, parents, and children.

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

5 (d) (Blank).

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

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

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

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

1 stated in the declaration or bylaws of the association.

2 (i) Board records.

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

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

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

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

26 (iv) With a written statement of a proper purpose,

1           ballots and proxies related thereto, if any, for any  
2           election held for the board and for any other matters  
3           voted on by the unit owners, which shall be maintained  
4           for not less than one year.

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

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

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

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

23          (4) If the board fails to provide records properly  
24          requested under paragraph (1) of this subsection (i) within  
25          the time period provided in that paragraph (1), the unit  
26          owner may seek appropriate relief and shall be entitled to

1 an award of reasonable attorney's fees and costs if the  
2 unit owner prevails and the court finds that such failure  
3 is due to the acts or omissions of the board of managers or  
4 the board of directors.

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

9 Section 1-35. Unit owner powers, duties, and obligations.

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

21 (b) If there are multiple owners of a single unit, only one  
22 of the multiple owners shall be eligible to serve as a member  
23 of the board at any one time.

24 (c) Two-thirds of the unit owners may remove a board member  
25 as a director at a duty called special meeting of the unit

1 owners.

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

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

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

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

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

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

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

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

24 (8) A statement that any improvements or alterations  
25 made to the unit, or any part of the common areas assigned  
26 thereto, by the prior unit owner are in good faith believed



1 to be in compliance with the declaration of the  
2 association.

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

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

11 Section 1-40. Meetings.

12 (a) Written notice of any membership meeting shall be  
13 mailed or delivered giving members no less than 10 and no more  
14 than 30 days notice of the time, place, and purpose of such  
15 meeting.

16 (b) Meetings.

17 (1) Twenty percent of the unit owners shall constitute  
18 a quorum, unless the community instruments indicate  
19 otherwise.

20 (2) The unit owners shall hold an annual meeting, one  
21 of the purposes of which shall be to elect members of the  
22 board of managers or board of directors of the common  
23 interest community association.

24 (3) Special meetings of the board may be called by the  
25 president or 25% of the members of the board. Special

1 meetings of the unit owners may be called by the president,  
2 the board, or by 20% of unit owners.

3 (4) Except to the extent otherwise provided by this  
4 Act, the board shall give the unit owners notice of all  
5 board meetings at least 48 hours prior to the meeting by  
6 sending notice by mail, personal delivery, or by posting  
7 copies of notices of meetings in entranceways, elevators,  
8 or other conspicuous places in the common interest  
9 community at least 48 hours prior to the meeting except  
10 where there is no common entranceway for 7 or more units,  
11 the board may designate one or more locations in the  
12 proximity of these units where the notices of meetings  
13 shall be posted. The board shall give unit owners, by mail  
14 or personal delivery, notice of any board meeting  
15 concerning the adoption of (i) the proposed annual budget,  
16 (ii) regular assessments, or (iii) a separate or special  
17 assessment within 10 to 30 days prior to the meeting,  
18 unless otherwise provided in Section 1-45 (a) or any other  
19 provision of this Act.

20 (5) Meetings of the board shall be open to any unit  
21 owner, except for the portion of any meeting held (i) to  
22 discuss litigation when an action against or on behalf of  
23 the particular association has been filed and is pending in  
24 a court or administrative tribunal, or when the common  
25 interest community association finds that such an action is  
26 probable or imminent, (ii) to consider information

1        regarding appointment, employment, or dismissal of an  
2        employee, or (iii) to discuss violations of rules and  
3        regulations of the association or a unit owner's unpaid  
4        share of common expenses. Any vote on these matters shall  
5        be taken at a meeting or portion thereof open to any unit  
6        owner.

7            (6) The board must reserve a portion of the meeting of  
8        the board for comments by unit owners; provided, however,  
9        the duration and meeting order for the unit owner comment  
10       period is within the sole discretion of the board.

11       Section 1-45. Finances.

12            (a) Each unit owner shall receive, at least 30 days prior  
13       to the adoption thereof by the board, a copy of the proposed  
14       annual budget together with an indication of which portions are  
15       intended for reserves, capital expenditures or repairs or  
16       payment of real estate taxes.

17            (b) The board shall annually supply to all unit owners an  
18       itemized accounting of the common expenses for the preceding  
19       year actually incurred or paid, together with an indication of  
20       which portions were for reserves, capital expenditures or  
21       repairs or payment of real estate taxes and with a tabulation  
22       of the amounts collected pursuant to the budget or assessment,  
23       and showing the net excess or deficit of income over  
24       expenditures plus reserves.

25            (c) If an adopted budget or any separate assessment adopted

1 by the board would result in the sum of all regular and  
2 separate assessments payable in the current fiscal year  
3 exceeding 115% of the sum of all regular and separate  
4 assessments payable during the preceding fiscal year, the  
5 common interest community association, upon written petition  
6 by unit owners with 20% of the votes of the association  
7 delivered to the board within 14 days of the board action,  
8 shall call a meeting of the unit owners within 30 days of the  
9 date of delivery of the petition to consider the budget or  
10 separate assessment; unless a majority of the total votes of  
11 the unit owners are cast at the meeting to reject the budget or  
12 separate assessment, it shall be deemed ratified.

13 (d) Any common expense not set forth in the budget or any  
14 increase in assessments over the amount adopted in the budget  
15 shall be separately assessed against all unit owners.

16 (e) Separate assessments for expenditures relating to  
17 emergencies or mandated by law may be adopted by the board  
18 without being subject to unit owner approval or the provisions  
19 of subsection (c) or (f) of this Section. As used herein,  
20 "emergency" means an immediate danger to the structural  
21 integrity of the common areas or to the life, health, safety,  
22 or property of the unit owners.

23 (f) Assessments for additions and alterations to the common  
24 areas or to association-owned property not included in the  
25 adopted annual budget, shall be separately assessed and are  
26 subject to approval of two-thirds of the total votes of all

1 unit owners.

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

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

13 Section 1-50. Administration of property prior to election  
14 of the initial board of directors.

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

21 (b) The election of the initial board, whose declaration is  
22 recorded on or after the effective date of this Act, shall be  
23 held not later than 60 days after the conveyance by the  
24 developer of 75% of the units, or 3 years after the recording  
25 of the declaration, whichever is earlier. The developer shall

1 give at least 21 days' notice of the meeting to elect the  
2 initial board of directors and shall upon request provide to  
3 any unit owner, within 3 working days of the request, the  
4 names, addresses, and weighted vote of each unit owner entitled  
5 to vote at the meeting. Any unit owner shall, upon receipt of  
6 the request, be provided with the same information, within 10  
7 days after the request, with respect to each subsequent meeting  
8 to elect members of the board of directors.

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

16 (d) Within 60 days following the election of a majority of  
17 the board, other than the developer, by unit owners, the  
18 developer shall deliver to the board:

19 (1) All original documents as recorded or filed  
20 pertaining to the property, its administration, and the  
21 association, such as the declaration, articles of  
22 incorporation, other instruments, annual reports, minutes,  
23 rules and regulations, and contracts, leases, or other  
24 agreements entered into by the association. If any original  
25 documents are unavailable, a copy may be provided if  
26 certified by affidavit of the developer, or an officer or

1 agent of the developer, as being a complete copy of the  
2 actual document recorded or filed.

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

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

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

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

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

11           (e) With respect to any common interest community  
12 association whose declaration is recorded on or after the  
13 effective date of this Act, any contract, lease, or other  
14 agreement made prior to the election of a majority of the board  
15 other than the developer by or on behalf of unit owners or  
16 underlying common interest community association, the  
17 association or the board, which extends for a period of more  
18 than 2 years from the recording of the declaration, shall be  
19 subject to cancellation by more than one-half of the votes of  
20 the unit owners, other than the developer, cast at a special  
21 meeting of members called for that purpose during a period of  
22 90 days prior to the expiration of the 2-year period if the  
23 board is elected by the unit owners, otherwise by more than  
24 one-half of the underlying common interest community  
25 association board. At least 60 days prior to the expiration of  
26 the 2-year period, the board or, if the board is still under



1 developer control, the developer shall send notice to every  
2 unit owner notifying them of this provision, of what contracts,  
3 leases, and other agreements are affected, and of the procedure  
4 for calling a meeting of the unit owners or for action by the  
5 board for the purpose of acting to terminate such contracts,  
6 leases or other agreements. During the 90-day period the other  
7 party to the contract, lease, or other agreement shall also  
8 have the right of cancellation.

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

13 Section 1-55. Fidelity insurance. An association with 30 or  
14 more units shall obtain and maintain fidelity insurance  
15 covering persons who control or disburse funds of the  
16 association for the maximum amount of coverage available to  
17 protect funds in the custody or control of the association plus  
18 the association reserve fund. All management companies which  
19 are responsible for the funds held or administered by the  
20 association shall maintain and furnish to the association a  
21 fidelity bond for the maximum amount of coverage available to  
22 protect funds in the custody of the management company at any  
23 time. The association shall bear the cost of the fidelity  
24 insurance and fidelity bond, unless otherwise provided by  
25 contract between the association and a management company.

1           Section 1-60. Errors and omissions.

2           (a) If there is an omission or error in the declaration or  
3 other instrument of the association, the association may  
4 correct the error or omission by an amendment to the  
5 declaration or other instrument, as may be required to conform  
6 it to this Act, to any other applicable statute, or to the  
7 declaration. The amendment shall be adopted by vote of  
8 two-thirds of the members of the board of directors or by a  
9 majority vote of the unit owners at a meeting called for that  
10 purpose, unless the Act or the declaration of the association  
11 specifically provides for greater percentages or different  
12 procedures.

13           (b) If, through a scrivener's error, a unit has not been  
14 designated as owning an appropriate undivided share of the  
15 common areas or does not bear an appropriate share of the  
16 common expenses, or if all of the common expenses or all of the  
17 common elements have not been distributed in the declaration,  
18 so that the sum total of the shares of common areas which have  
19 been distributed or the sum total of the shares of the common  
20 expenses fail to equal 100%, or if it appears that more than  
21 100% of the common elements or common expenses have been  
22 distributed, the error may be corrected by operation of law by  
23 filing an amendment to the declaration, approved by vote of  
24 two-thirds of the members of the board or a majority vote of  
25 the unit owners at a meeting called for that purpose, which

1 proportionately adjusts all percentage interests so that the  
2 total is equal to 100%, unless the declaration specifically  
3 provides for a different procedure or different percentage vote  
4 by the owners of the units and the owners of mortgages thereon  
5 affected by modification being made in the undivided interest  
6 in the common areas, the number of votes in the association or  
7 the liability for common expenses appertaining to the unit.

8 (c) If a scrivener's error in the declaration or other  
9 instrument is corrected by vote of two-thirds of the members of  
10 the board pursuant to the authority established in subsection  
11 (a) or subsection (b), the board, upon written petition by unit  
12 owners with 20% of the votes of the association received within  
13 30 days of the board action, shall call a meeting of the unit  
14 owners within 30 days of the filing of the petition to consider  
15 the board action. Unless a majority of the votes of the unit  
16 owners of the association are cast at the meeting to reject the  
17 action, it is ratified whether or not a quorum is present.

18 (d) Nothing contained in this Section shall be construed to  
19 invalidate any provision of a declaration authorizing the  
20 developer to amend an instrument prior to the latest date on  
21 which the initial membership meeting of the unit owners must be  
22 held, whether or not it has actually been held, to bring the  
23 instrument into compliance with the legal requirements of the  
24 Federal National Mortgage Association, the Federal Home Loan  
25 Mortgage Corporation, the Federal Housing Administration, the  
26 United States Department of Veterans Affairs, or their

1       respective successors and assigns.

2           Section 1-65. Management company. A management company  
3 holding reserve funds of an association shall at all times  
4 maintain a separate account for each association, unless by  
5 contract the board of managers of the association authorizes a  
6 management company to maintain association reserves in a single  
7 account with other associations for investment purposes. With  
8 the consent of the board of managers of the association, the  
9 management company may hold all operating funds of associations  
10 which it manages in a single operating account, but shall at  
11 all times maintain records identifying all moneys of each  
12 association in such operating account. Such operating and  
13 reserve funds held by the management company for the  
14 association shall not be subject to attachment by any creditor  
15 of the management company. A management company that provides  
16 common interest community association management services for  
17 more than one common interest community association shall  
18 maintain separate, segregated accounts for each common  
19 interest community association. The funds shall not, in any  
20 event, be commingled with funds of the management company, the  
21 firm of the management company, or any other common interest  
22 community association. The maintenance of these accounts shall  
23 be custodial, and the accounts shall be in the name of the  
24 respective common interest community association.

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

2 (a) Notwithstanding any provision in the declaration,  
3 bylaws, community instruments, rules, regulations, or  
4 agreements or other instruments of a common interest community  
5 association or a board's construction of any of those  
6 instruments, a board may not prohibit the display of the  
7 American flag or a military flag, or both, on or within the  
8 limited common areas and facilities of a unit owner or on the  
9 immediately adjacent exterior of the building in which the unit  
10 of a unit owner is located. A board may adopt reasonable rules  
11 and regulations, consistent with Sections 4 through 10 of  
12 Chapter 1 of Title 4 of the United States Code, regarding the  
13 placement and manner of display of the American flag and a  
14 board may adopt reasonable rules and regulations regarding the  
15 placement and manner of display of a military flag. A board may  
16 not prohibit the installation of a flagpole for the display of  
17 the American flag or a military flag, or both, on or within the  
18 limited common areas and facilities of a unit owner or on the  
19 immediately adjacent exterior of the building in which the unit  
20 of a unit owner is located, but a board may adopt reasonable  
21 rules and regulations regarding the location and size of  
22 flagpoles.

23 (b) As used in this Section:

24 "American flag" means the flag of the United States (as  
25 defined in Section 1 of Chapter 1 of Title 4 of the United  
26 States Code and the Executive Orders entered in connection

1 with that Section) made of fabric, cloth, or paper  
2 displayed from a staff or flagpole or in a window, but  
3 "American flag" does not include a depiction or emblem of  
4 the American flag made of lights, paint, roofing, siding,  
5 paving materials, flora, or balloons, or any other similar  
6 building, landscaping, or decorative component.

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

15 Section 1-75. Exemptions for small community interest  
16 communities.

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

23 (b) Common interest community associations which in their  
24 declaration, bylaws, or other governing documents provide that  
25 the association may not use the courts or an arbitration

1 process to collect or enforce assessments, fines, or similar  
2 levies and common interest community associations (i) of 10  
3 units or less or (ii) having annual budgeted assessments of  
4 \$50,000 or less shall be exempt from subsection (a) of Section  
5 1-30, subsections (a) and (b) of Section 10-40, and Section  
6 1-55 but shall be required to provide notice of meetings to  
7 unit owners in a manner and at a time that will allow unit  
8 owners to participate in those meetings.

9 Article 5

10 Section 5-1. Short title. This Article may be cited as the  
11 Service Member Residential Property Act, and references in this  
12 Article to "this Act" mean this Article.

13 Section 5-5. Definitions. For purposes of this Act:

14 "Military service" means Federal service or active duty  
15 with any branch of service hereinafter referred to as well as  
16 training or education under the supervision of the United  
17 States preliminary to induction into the military service for a  
18 period of not less than 180 days. "Military service" also  
19 includes any period of active duty with the State of Illinois  
20 pursuant to the orders of the President of the United States or  
21 the Governor.

22 "Service member" means and includes the following persons  
23 and no others: all members of the Army of the United States,

1 the United States Navy, the Marine Corps, the Air Force, the  
2 Coast Guard and all members of the State Militia called into  
3 the service or training of the United States of America or of  
4 this State.

5 The foregoing definitions shall apply both to voluntary  
6 enlistment and to induction into service by draft or  
7 conscription.

8 Section 5-10. Service member residential lease. The  
9 provisions of this Act apply to a lease of residential premises  
10 occupied, or intended to be occupied, by a service member or a  
11 service member's dependents if:

12 (1) the lease is executed by or on behalf of a person  
13 who thereafter and during the term of the lease enters  
14 military service; or

15 (2) the service member, while in military service,  
16 executes the lease and thereafter receives military orders  
17 for a permanent change of station or to deploy with a  
18 military unit, or as an individual in support of a military  
19 operation, for a period of not less than 90 days.

20 Section 5-15. Termination by lessee. The lessee on a lease  
21 described in Section 5-10 may, at the lessee's option,  
22 terminate the lease at any time after (i) the lessee's entry  
23 into military service or (ii) the date of the lessee's military  
24 orders described in subdivision (2) of Section 5-10, as the



1 case may be.

2 Section 5-20. Manner of termination; effective date of  
3 termination.

4 (a) A lessee's termination of a lease pursuant to this  
5 subsection shall terminate any obligation a dependent of the  
6 lessee may have under the lease.

7 (b) Termination of a lease under Section 5-15 is made by  
8 delivery by the lessee of written notice of such termination,  
9 and a copy of the service member's military orders, to the  
10 lessor, the lessor's grantee, the lessor's agent, or the  
11 agent's grantee. Delivery of notice may be accomplished (i) by  
12 hand delivery, (ii) by private business carrier, or (iii) by  
13 placing the written notice in the United States mail in an  
14 envelope with sufficient postage and with return receipt  
15 requested, and addressed as designated by the lessor, the  
16 lessor's grantee, the lessor's agent, or the agent's grantee.

17 (c) In the case of a lease that provides for monthly  
18 payment of rent, termination of the lease under Section 5-15 is  
19 effective 30 days after the first date on which the next rental  
20 payment is due and payable after the date on which the notice  
21 under subsection (b) of this Section is delivered. In the case  
22 of any other lease, termination of the lease under Section 5-15  
23 is effective on the last day of the month following the month  
24 in which the notice is delivered.

1 Section 5-25. Arrearages, obligations, and liabilities.

2 (a) Rents or lease amounts unpaid for the period preceding  
3 the effective date of the lease termination shall be paid on a  
4 prorated basis. Rents or lease amounts paid in advance for a  
5 period after the effective date of the termination of the lease  
6 shall be refunded to the lessee by the lessor, the lessor's  
7 grantee, the lessor's agent, or the agent's grantee within 30  
8 days after the effective date of the termination of the lease.  
9 Any relief granted by this Act to a service member may be  
10 modified as justice and equity require.

11 (b) Upon termination of a rental agreement under this Act,  
12 the tenant is liable for the rent due under the rental  
13 agreement prorated to the effective date of the termination  
14 payable at such time as would have otherwise been required by  
15 the terms of the rental agreement. The tenant is not liable for  
16 any other rent or any liquidated damages due to the early  
17 termination; provided however, that a tenant may be liable for  
18 the cost of repairing damage to the premises caused by an act  
19 or omission of the tenant.

20 Section 5-30. Right of action. A person who is aggrieved by  
21 a violation of this Act shall have a right of action in circuit  
22 court to enforce the provisions of this Act and in doing so may  
23 recover attorney's fees and costs. The remedy and rights  
24 provided under this Act are in addition to and do not preclude  
25 any remedy for wrongful conversion otherwise available under

1 law to the person claiming relief under this Act, including any  
2 award for consequential or punitive damages.

3 Article 99

4 Section 99-5. Effective date. This Act takes effect upon  
5 becoming law.".