



Rep. Tom Cross

Filed: 5/17/2012

09700SB3572ham002

LRB097 18505 JLS 69625 a

1 AMENDMENT TO SENATE BILL 3572

2 AMENDMENT NO. _____. Amend Senate Bill 3572, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Common Interest Community Association Act
6 is amended by changing Sections 1-5, 1-15, 1-20, 1-25, 1-30,
7 1-35, 1-40, 1-45, 1-50, 1-60, and 1-75 as follows:

8 (765 ILCS 160/1-5)
9 Sec. 1-5. Definitions.

10 (a) As used in this Act, unless the context otherwise
11 requires:

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

16 "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 members ~~unit~~
9 ~~owners~~ of a common interest community as the governing body to
10 exercise for the members ~~unit-owners~~ of the common interest
11 community association all powers, duties, and authority vested
12 in the board of directors under this Act and the common
13 interest 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 members ~~unit-owners~~ of a common interest
17 community as the governing body to exercise for the members
18 ~~unit-owners~~ of the common interest community association all
19 powers, duties, and authority vested in the board of managers
20 under this Act and the common interest community association's
21 declaration and 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. A "common interest community" does not
12 include a master association.

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

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

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

1 "Developer control" means such control at a time prior to
2 the election of the board of the common interest community
3 association by a majority of the members ~~unit owners~~ other than
4 the developer.

5 "Majority" or "majority of the members ~~unit owners~~" means
6 the owners of more than 50% in the aggregate in interest of the
7 undivided ownership of the common elements. Any specified
8 percentage of the members ~~unit owners~~ means such percentage in
9 the aggregate in interest of such undivided ownership.

10 "Majority" or "majority of the members of the board of the
11 common interest community association" means more than 50% of
12 the total number of persons constituting such board pursuant to
13 the bylaws. Any specified percentage of the members of the
14 common interest community association means that percentage of
15 the total number of persons constituting such board pursuant to
16 the bylaws.

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

24 "Meeting of the board" or "board meeting" means any
25 gathering of a quorum of the members of the board of the common
26 interest community association held for the purpose of

1 conducting board business.

2 "Member" means the person or entity designated as an owner
3 and entitled to one vote as defined by the community
4 instruments, subject to the provisions of subsection (b).

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

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

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

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

18 "Prescribed delivery method" means mailing, delivering,
19 posting in an association publication that is routinely mailed
20 to all members ~~unit owners~~, or any other delivery method that
21 is approved in writing by the member ~~unit owner~~ and authorized
22 by the community instruments.

23 "Property" means all the land, property, and space
24 comprising the parcel, all improvements and structures
25 erected, constructed or contained therein or thereon,
26 including any building and all easements, rights, and

1 appurtenances belonging thereto, and all fixtures and
2 equipment intended for the mutual use, benefit, or enjoyment of
3 the members ~~unit owners~~, under the authority or control of a
4 common interest community association.

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

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

10 "Reserves" means those sums paid by members ~~unit owners~~
11 which are separately maintained by the common interest
12 community association for purposes specified by the
13 declaration and bylaws of the common interest community
14 association.

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

17 "Unit owner" means the person or persons whose estates or
18 interests, individually or collectively, aggregate fee simple
19 absolute ownership of a unit, subject to the provisions of
20 subsection (b).

21 (b) The terms "member" and "unit owner" may be used
22 interchangeably. In situations in which a matter of legal title
23 to the unit is involved or at issue, the term "unit owner" is
24 the applicable term. In a county with a population under
25 500,000, if "member" or "unit owner" is defined differently by
26 the community instruments, the definition in the community

1 instruments shall control.

2 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

3 (765 ILCS 160/1-15)

4 Sec. 1-15. Construction, interpretation, and validity of
5 community instruments.

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

10 (b) All provisions of the declaration, bylaws, and other
11 community instruments severed by this Act shall be revised by
12 the board of directors independent of the membership to comply
13 with this Act ~~are severable.~~

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

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

1 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

2 (765 ILCS 160/1-20)

3 Sec. 1-20. Amendments to the declaration or bylaws.

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

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

19 (c) If an association that currently permits leasing amends
20 its declaration, bylaws, or rules and regulations to prohibit
21 leasing, nothing in this Act or the declarations, bylaws, rules
22 and regulations of an association shall prohibit a unit owner
23 incorporated under 26 USC 501(c)(3) which is leasing a unit at
24 the time of the prohibition from continuing to do so until such
25 time that the unit owner voluntarily sells the unit; and no

1 special fine, fee, dues, or penalty shall be assessed against
2 the unit owner for leasing its unit.

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

6 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

7 (765 ILCS 160/1-25)

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

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

16 (b) (Blank).

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

20 (d) No member of the board or officer shall be elected for
21 a term of more than 4 ~~3~~ years, but officers and board members
22 may succeed themselves.

23 (e) If there is a vacancy on the board, the remaining
24 members of the board may fill the vacancy by a two-thirds vote
25 of the remaining board members until the next annual meeting of

1 the membership or until members holding 20% of the votes of the
2 association request a meeting of the members to fill the
3 vacancy for the balance of the term. A meeting of the members
4 shall be called for purposes of filling a vacancy on the board
5 no later than 30 days following the filing of a petition signed
6 by membership holding 20% of the votes of the association
7 requesting such a meeting.

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

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

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

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

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

1 reasonable attorney's fees and costs from the association. If
2 the relevant notice requirements have been met and an election
3 is not held solely due to a lack of a quorum, then this
4 subsection (g) does not apply.

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

10 (h-5) A member may vote:

11 (1) by proxy executed in writing by the member or by
12 his or her duly authorized attorney in fact, provided,
13 however, that the proxy bears the date of execution. Unless
14 the community instruments or the written proxy itself
15 provide otherwise, proxies will not be valid for more than
16 11 months after the date of its execution; or

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

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

22 (i) The association may, upon adoption of the appropriate
23 rules by the board, conduct elections by secret ballot,
24 distributed by the association, whereby the voting ballot is
25 marked only with the voting interest for the member and the
26 vote itself, provided that the association shall further adopt

1 rules to verify the status of the member ~~issuing a proxy or~~
2 casting a ballot and provided further that proxies shall not be
3 allowed. A candidate for election to the board or such
4 candidate's representative shall have the right to be present
5 at the counting of ballots at such election.

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

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

17 (765 ILCS 160/1-30)

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

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

20 (b) A member of the board of the common interest community
21 association may not enter into a contract with a current board
22 member, or with a corporation or partnership in which a board
23 member or a member of his or her immediate family has 25% or
24 more interest, unless notice of intent to enter into the
25 contract is given to members ~~unit owners~~ within 20 days after a

1 decision is made to enter into the contract and the members
2 ~~unit owners~~ are afforded an opportunity by filing a petition,
3 signed by 20% of the membership, for an election to approve or
4 disapprove the contract; such petition shall be filed within 20
5 days after such notice and such election shall be held within
6 30 days after filing the petition. For purposes of this
7 subsection, a board member's immediate family means the board
8 member's spouse, parents, and children.

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

12 (d) (Blank).

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

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

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

24 (h) Other than attorney's fees and court or arbitration
25 costs, no fees pertaining to the collection of a member's or
26 unit owner's financial obligation to the association,

1 including fees charged by a manager or managing agent, shall be
2 added to and deemed a part of a member's or unit owner's
3 respective share of the common expenses unless: (i) the
4 managing agent fees relate to the costs to collect common
5 expenses for the association; (ii) the fees are set forth in a
6 contract between the managing agent and the association; and
7 (iii) the authority to add the management fees to a member's or
8 unit owner's respective share of the common expenses is
9 specifically stated in the declaration or bylaws of the
10 association.

11 (i) Board records.

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

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

26 (ii) Detailed and accurate records in

1 chronological order of the receipts and expenditures
2 affecting the common areas, specifying and itemizing
3 the maintenance and repair expenses of the common areas
4 and any other expenses incurred, and copies of all
5 contracts, leases, or other agreements entered into by
6 the board shall be maintained.

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

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

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

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

26 (2) Where a request for records under this subsection

1 is made in writing to the board or its agent, failure to
2 provide the requested record or to respond within 30 days
3 shall be deemed a denial by the board.

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

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

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

19 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

20 (765 ILCS 160/1-35)

21 Sec. 1-35. Member ~~Unit-owner~~ powers, duties, and
22 obligations.

23 (a) The provisions of this Act, the declaration, bylaws,
24 other community instruments, and rules and regulations that
25 relate to the use of an individual unit or the common areas

1 shall be applicable to any person leasing a unit and shall be
2 deemed to be incorporated in any lease executed or renewed on
3 or after the effective date of this Act. With regard to any
4 lease entered into subsequent to the effective date of this
5 Act, the member or unit owner leasing the unit shall deliver a
6 copy of the signed lease to the association or if the lease is
7 oral, a memorandum of the lease, not later than the date of
8 occupancy or 10 days after the lease is signed, whichever
9 occurs first.

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

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

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

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

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

26 (3) A statement of any capital expenditures

1 anticipated by the association within the current or
2 succeeding 2 fiscal years.

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

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

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

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

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

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

22 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

23 (765 ILCS 160/1-40)

24 Sec. 1-40. Meetings.

25 (a) Notice of any membership meeting shall be given

1 detailing the time, place, and purpose of such meeting no less
2 than 10 and no more than 30 days prior to the meeting through a
3 prescribed delivery method.

4 (b) Meetings.

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

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

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

17 (4) Except to the extent otherwise provided by this
18 Act, the board shall give the members ~~unit owners~~ notice of
19 all board meetings at least 48 hours prior to the meeting
20 by sending notice by using a prescribed delivery method or
21 by posting copies of notices of meetings in entranceways,
22 elevators, or other conspicuous places in the common areas
23 of the common interest community at least 48 hours prior to
24 the meeting except where there is no common entranceway for
25 7 or more units, the board may designate one or more
26 locations in the proximity of these units where the notices

1 of meetings shall be posted. The board shall give members
2 ~~unit owners~~ notice of any board meeting, through a
3 prescribed delivery method, concerning the adoption of (i)
4 the proposed annual budget, (ii) regular assessments, or
5 (iii) a separate or special assessment within 10 to 60 days
6 prior to the meeting, unless otherwise provided in Section
7 1-45 (a) or any other provision of this Act.

8 (5) Meetings of the board shall be open to any unit
9 owner, except for the portion of any meeting held (i) to
10 discuss litigation when an action against or on behalf of
11 the particular association has been filed and is pending in
12 a court or administrative tribunal, or when the common
13 interest community association finds that such an action is
14 probable or imminent, (ii) to consider third party
15 contracts or information regarding appointment,
16 employment, or dismissal of an employee, or (iii) to
17 discuss violations of rules and regulations of the
18 association or a member's or unit owner's unpaid share of
19 common expenses. Any vote on these matters shall be taken
20 at a meeting or portion thereof open to any member ~~unit~~
21 ~~owner~~.

22 (6) The board must reserve a portion of the meeting of
23 the board for comments by members ~~unit owners~~; provided,
24 however, the duration and meeting order for the member ~~unit~~
25 ~~owner~~ comment period is within the sole discretion of the
26 board.

1 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

2 (765 ILCS 160/1-45)

3 Sec. 1-45. Finances.

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

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

23 (c) If an adopted budget or any separate assessment adopted
24 by the board would result in the sum of all regular and
25 separate assessments payable in the current fiscal year

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

11 (d) If total common expenses exceed the total amount of the
12 approved and adopted budget, the common interest community
13 association shall disclose this variance to all its members and
14 specifically identify the subsequent assessments needed to
15 offset this variance in future budgets. ~~Any common expense not~~
16 ~~set forth in the budget or any increase in assessments over the~~
17 ~~amount adopted in the budget shall be separately assessed~~
18 ~~against all unit owners.~~

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

1 ~~membership an immediate danger to the structural integrity of~~
2 ~~the common areas or to the life, health, safety, or property of~~
3 ~~the unit owners.~~

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

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

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

20 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

21 (765 ILCS 160/1-50)

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

24 (a) Until the election of the initial board whose
25 declaration is recorded on or after the effective date of this

1 Act, the same rights, titles, powers, privileges, trusts,
2 duties, and obligations that are vested in or imposed upon the
3 board by this Act or in the declaration or other duly recorded
4 covenant shall be held and performed by the developer.

5 (b) The election of the initial board, whose declaration is
6 recorded on or after the effective date of this Act, shall be
7 held not later than 60 days after the conveyance by the
8 developer of 75% of the units, or 3 years after the recording
9 of the declaration, whichever is earlier. The developer shall
10 give at least 21 days' notice of the meeting to elect the
11 initial board of directors and shall upon request provide to
12 any member ~~unit-owner~~, within 3 working days of the request,
13 the names, addresses, and weighted vote of each member ~~unit~~
14 ~~owner~~ entitled to vote at the meeting. Any member ~~unit-owner~~
15 shall, upon receipt of the request, be provided with the same
16 information, within 10 days after the request, with respect to
17 each subsequent meeting to elect members of the board of
18 directors.

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

26 (d) Within 60 days following the election of a majority of

1 the board, other than the developer, by members ~~unit owners~~,
2 the developer shall deliver to the board:

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

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

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

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

26 (5) A list of all litigation, administrative action,

1 and arbitrations involving the association, any notices of
2 governmental bodies involving actions taken or which may be
3 taken concerning the association, engineering and
4 architectural drawings and specifications as approved by
5 any governmental authority, all other documents filed with
6 any other governmental authority, all governmental
7 certificates, correspondence involving enforcement of any
8 association requirements, copies of any documents relating
9 to disputes involving members or unit owners, and originals
10 of all documents relating to everything listed in this
11 paragraph.

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

22 (e) With respect to any common interest community
23 association whose declaration is recorded on or after the
24 effective date of this Act, any contract, lease, or other
25 agreement made prior to the election of a majority of the board
26 other than the developer by or on behalf of members ~~unit owners~~

1 or underlying common interest community association, the
2 association or the board, which extends for a period of more
3 than 2 years from the recording of the declaration, shall be
4 subject to cancellation by more than one-half of the votes of
5 the members ~~unit owners~~, other than the developer, cast at a
6 special meeting of members called for that purpose during a
7 period of 90 days prior to the expiration of the 2-year period
8 if the board is elected by the members ~~unit owners~~, otherwise
9 by more than one-half of the underlying common interest
10 community association board. At least 60 days prior to the
11 expiration of the 2-year period, the board or, if the board is
12 still under developer control, the developer shall send notice
13 to every member ~~unit owner~~ notifying them of this provision, of
14 what contracts, leases, and other agreements are affected, and
15 of the procedure for calling a meeting of the members ~~unit~~
16 ~~owners~~ or for action by the board for the purpose of acting to
17 terminate such contracts, leases or other agreements. During
18 the 90-day period the other party to the contract, lease, or
19 other agreement shall also have the right of cancellation.

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

24 (Source: P.A. 96-1400, eff. 7-29-10.)

1 Sec. 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 members 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 members at a meeting called for that purpose, which
26 proportionately adjusts all percentage interests so that the

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

7 (c) If a scrivener's error in the declaration or other
8 instrument is corrected by vote of two-thirds of the members of
9 the board pursuant to the authority established in subsection
10 (a) or subsection (b), the board, upon written petition by
11 members with 20% of the votes of the association received
12 within 30 days of the board action, shall call a meeting of the
13 members within 30 days of the filing of the petition to
14 consider the board action. Unless a majority of the votes of
15 the members of the association are cast at the meeting to
16 reject the action, it is ratified whether or not a quorum is
17 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 members ~~unit owners~~
22 must be held, whether or not it has actually been held, to
23 bring the instrument into compliance with the legal
24 requirements of the Federal National Mortgage Association, the
25 Federal Home Loan Mortgage Corporation, the Federal Housing
26 Administration, the United States Department of Veterans

1 Affairs, or their respective successors and assigns.

2 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

3 (765 ILCS 160/1-75)

4 Sec. 1-75. Exemptions for small common ~~community~~ interest
5 communities.

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

12 (b) Common interest community associations which in their
13 declaration, bylaws, or other governing documents provide that
14 the association may not use the courts or an arbitration
15 process to collect or enforce assessments, fines, or similar
16 levies and common interest community associations (i) of 10
17 units or less or (ii) having annual budgeted assessments of
18 \$50,000 or less shall be exempt from subsection (a) of Section
19 1-30, subsections (a) and (b) of Section 1-40, and Section 1-55
20 but shall be required to provide notice of meetings to members
21 ~~unit owners~~ in a manner and at a time that will allow members
22 ~~unit owners~~ to participate in those meetings.

23 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11.)

24 Section 99. Effective date. This Act takes effect upon

1 becoming law.".