



Sen. William R. Haine

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1 AMENDMENT TO SENATE BILL 3572

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

4 "Section 5. The Common Interest Community Association Act
5 is amended by changing Sections 1-5, 1-15, 1-25, 1-30, 1-35,
6 1-40, 1-45, 1-50, 1-60, 1-70, 1-75, and 1-80 as follows:

7 (765 ILCS 160/1-5)

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

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

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

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

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

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

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

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

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

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

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

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

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

25 "Developer control" means such control at a time prior to
26 the election of the board of the common interest community

1 association by a majority of the members ~~unit owners~~ other than
2 the developer.

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

8 "Majority" or "majority of the members of the board of the
9 common interest community association" means more than 50% of
10 the total number of persons constituting such board pursuant to
11 the bylaws. Any specified percentage of the members of the
12 common interest community association means that percentage of
13 the total number of persons constituting such board pursuant to
14 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 "Meeting of the board" or "board meeting" means any
23 gathering of a quorum of the members of the board of the common
24 interest community association held for the purpose of
25 conducting board business.

26 "Member" means the person or entity designated as an owner

1 and entitled to one vote as defined by the community
2 instruments.

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

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

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

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

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

21 "Property" means all the land, property, and space
22 comprising the parcel, all improvements and structures
23 erected, constructed or contained therein or thereon,
24 including any building and all easements, rights, and
25 appurtenances belonging thereto, and all fixtures and
26 equipment intended for the mutual use, benefit, or enjoyment of

1 the members ~~unit owners~~, under the authority or control of a
2 common interest community association.

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

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

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

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

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

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

19 (765 ILCS 160/1-15)

20 Sec. 1-15. Construction, interpretation, and validity of
21 community instruments.

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

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

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

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

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

18 (765 ILCS 160/1-25)

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

21 (a) Routine scheduled elections shall be held for ~~There~~
22 ~~shall be an annual election of~~ the board of managers or board
23 of directors from among the membership of a common interest
24 community association.

25 (b) (Blank).

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

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

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

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

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

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

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

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

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

19 (h-5) A member may vote:

20 (1) by proxy executed in writing by the member or by
21 his or her duly authorized attorney in fact, provided,
22 however, that the proxy bears the date of execution. Unless
23 the community instruments or the written proxy itself
24 provide otherwise, proxies will not be valid for more than
25 11 months after the date of its execution; or

26 (2) by submitting an association-issued ballot in

1 person at the election meeting; or

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

5 (i) The association may, upon adoption of the appropriate
6 rules by the board, conduct elections by secret ballot,
7 distributed by the association, whereby the voting ballot is
8 marked only with the voting interest for the member and the
9 vote itself, provided that the association shall further adopt
10 rules to verify the status of the member ~~issuing a proxy or~~
11 casting a ballot. A candidate for election to the board or such
12 candidate's representative shall have the right to be present
13 at the counting of ballots at such election.

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

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

25 (765 ILCS 160/1-30)

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

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

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

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

20 (d) (Blank).

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

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

1 (g) The board shall have the power, after notice and an
2 opportunity to be heard, to levy and collect reasonable fines
3 from members ~~unit-owners~~ for violations of the declaration,
4 bylaws, and rules and regulations of the common interest
5 community association.

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

18 (i) Board records.

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

25 (i) Copies of the recorded declaration, other
26 community instruments, other duly recorded covenants

1 and bylaws and any amendments, articles of
2 incorporation, annual reports, and any rules and
3 regulations adopted by the board shall be available.
4 Prior to the organization of the board, the developer
5 shall maintain and make available the records set forth
6 in this paragraph (i) for examination and copying.

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

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

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

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

26 (vi) With respect to units owned by a land trust, a

1 living trust, or other legal entity, the trustee,
2 officer, or manager of the entity may designate, in
3 writing, a person to cast votes on behalf of the member
4 ~~unit-owner~~ and a designation shall remain in effect
5 until a subsequent document is filed with the
6 association.

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

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

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

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

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

1 (765 ILCS 160/1-35)

2 Sec. 1-35. Member ~~Unit—owner~~ powers, duties, and
3 obligations.

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

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

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

22 (d) In the event of any resale of a unit in a common
23 interest community association by a member ~~unit—owner~~ other
24 than the developer, the board shall make available for
25 inspection to the prospective purchaser, upon demand, the

1 following:

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

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

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

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

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

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

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

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

25 A reasonable fee covering the direct out-of-pocket cost of
26 copying and providing such information may be charged by the

1 association or the board to the unit seller for providing the
2 information.

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

4 (765 ILCS 160/1-40)

5 Sec. 1-40. Meetings.

6 (a) Notice of any membership meeting shall be given
7 detailing the time, place, and purpose of such meeting no less
8 than 10 and no more than 30 days prior to the meeting through a
9 prescribed delivery method.

10 (b) Meetings.

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

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

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

23 (4) Except to the extent otherwise provided by this
24 Act, the board shall give the members ~~unit owners~~ notice of
25 all board meetings at least 48 hours prior to the meeting

1 by sending notice by using a prescribed delivery method or
2 by posting copies of notices of meetings in entranceways,
3 elevators, or other conspicuous places in the common areas
4 of the common interest community at least 48 hours prior to
5 the meeting except where there is no common entranceway for
6 7 or more units, the board may designate one or more
7 locations in the proximity of these units where the notices
8 of meetings shall be posted. The board shall give members
9 ~~unit owners~~ notice of any board meeting, through a
10 prescribed delivery method, concerning the adoption of (i)
11 the proposed annual budget, (ii) regular assessments, or
12 (iii) a separate or special assessment within 10 to 60 days
13 prior to the meeting, unless otherwise provided in Section
14 1-45 (a) or any other provision of this Act.

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

1 at a meeting or portion thereof open to any member ~~unit~~
2 ~~owner~~.

3 (6) The board must reserve a portion of the meeting of
4 the board for comments by members ~~unit-owners~~; provided,
5 however, the duration and meeting order for the member ~~unit~~
6 ~~owner~~ comment period is within the sole discretion of the
7 board.

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

9 (765 ILCS 160/1-45)

10 Sec. 1-45. Finances.

11 (a) Each member ~~unit-owner~~ shall receive through a
12 prescribed delivery method, at least 30 days but not more than
13 60 days prior to the adoption thereof by the board, a copy of
14 the proposed annual budget together with an indication of which
15 portions are intended for reserves, capital expenditures or
16 repairs or payment of real estate taxes.

17 (b) The board shall provide all members ~~unit-owners~~ with a
18 reasonably detailed summary of the receipts, common expenses,
19 and reserves for the preceding budget year. The board shall (i)
20 make available for review to all members ~~unit-owners~~ an
21 itemized accounting of the common expenses for the preceding
22 year actually incurred or paid, together with an indication of
23 which portions were for reserves, capital expenditures or
24 repairs or payment of real estate taxes and with a tabulation
25 of the amounts collected pursuant to the budget or assessment,

1 and showing the net excess or deficit of income over
2 expenditures plus reserves or (ii) provide a consolidated
3 annual independent audit report of the financial status of all
4 fund accounts within the association.

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

18 (d) If total common expenses exceed the total amount of the
19 approved and adopted budget, the common interest community
20 association shall disclose this variance to all its members and
21 specifically identify the subsequent assessments needed to
22 offset this variance in future budgets. ~~Any common expense not~~
23 ~~set forth in the budget or any increase in assessments over the~~
24 ~~amount adopted in the budget shall be separately assessed~~
25 ~~against all unit owners.~~

26 (e) Separate assessments for expenditures relating to

1 emergencies or mandated by law may be adopted by the board
2 without being subject to member ~~unit-owner~~ approval or the
3 provisions of subsection (c) or (f) of this Section. As used
4 herein, "emergency" means a danger to or a compromise of the
5 structural integrity of the common areas or the common assets
6 of the common interest community. "Emergency" also includes a
7 danger to the life, health, safety, or welfare of the
8 membership ~~an immediate danger to the structural integrity of~~
9 ~~the common areas or to the life, health, safety, or property of~~
10 ~~the unit owners.~~

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

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

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

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

2 (765 ILCS 160/1-50)

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

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

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

25 (c) If the initial board of a common interest community

1 association whose declaration is recorded on or after the
2 effective date of this Act is not elected by the time
3 established in subsection (b), the developer shall continue in
4 office for a period of 30 days, whereupon written notice of his
5 or her resignation shall be sent to all of the unit owners or
6 members.

7 (d) Within 60 days following the election of a majority of
8 the board, other than the developer, by members ~~unit owners~~,
9 the developer shall deliver to the board:

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

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

26 (3) Association funds, which shall have been at all

1 times segregated from any other moneys of the developer.

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

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

19 (6) If the developer fails to fully comply with this
20 subsection (d) within the 60 days provided and fails to
21 fully comply within 10 days after written demand mailed by
22 registered or certified mail to his or her last known
23 address, the board may bring an action to compel compliance
24 with this subsection (d). If the court finds that any of
25 the required deliveries were not made within the required
26 period, the board shall be entitled to recover its

1 reasonable attorney's fees and costs incurred from and
2 after the date of expiration of the 10-day demand.

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

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

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

6 (765 ILCS 160/1-60)

7 Sec. 1-60. Errors and omissions.

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

19 (b) If, through a scrivener's error, a unit has not been
20 designated as owning an appropriate undivided share of the
21 common areas or does not bear an appropriate share of the
22 common expenses, or if all of the common expenses or all of the
23 common elements have not been distributed in the declaration,
24 so that the sum total of the shares of common areas which have
25 been distributed or the sum total of the shares of the common

1 expenses fail to equal 100%, or if it appears that more than
2 100% of the common elements or common expenses have been
3 distributed, the error may be corrected by operation of law by
4 filing an amendment to the declaration, approved by vote of
5 two-thirds of the members of the board or a majority vote of
6 the members at a meeting called for that purpose, which
7 proportionately adjusts all percentage interests so that the
8 total is equal to 100%, unless the declaration specifically
9 provides for a different procedure or different percentage vote
10 by the owners of the units and the owners of mortgages thereon
11 affected by modification being made in the undivided interest
12 in the common areas, the number of votes in the association or
13 the liability for common expenses appertaining to the unit.

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

25 (d) Nothing contained in this Section shall be construed to
26 invalidate any provision of a declaration authorizing the

1 developer to amend an instrument prior to the latest date on
2 which the initial membership meeting of the members ~~unit owners~~
3 must be held, whether or not it has actually been held, to
4 bring the instrument into compliance with the legal
5 requirements of the Federal National Mortgage Association, the
6 Federal Home Loan Mortgage Corporation, the Federal Housing
7 Administration, the United States Department of Veterans
8 Affairs, or their respective successors and assigns.

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

10 (765 ILCS 160/1-70)

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

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

1 flag. A board may not prohibit the installation of a flagpole
2 for the display of the American flag or a military flag, or
3 both, on or within the limited common areas and facilities of a
4 member ~~unit-owner~~ or on the immediately adjacent exterior of
5 the building in which the unit of a member ~~unit-owner~~ is
6 located, but a board may adopt reasonable rules and regulations
7 regarding the location and size of flagpoles.

8 (b) As used in this Section:

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

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

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

1 (765 ILCS 160/1-75)

2 Sec. 1-75. Exemptions for small community interest
3 communities.

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

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

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

22 (765 ILCS 160/1-80)

23 Sec. 1-80. Compliance. A common interest community
24 association shall be in full compliance with the provisions of

1 this Act no later than January 1, 2013 ~~2012~~.

2 (Source: P.A. 97-605, eff. 8-26-11.)".