

1 AN ACT concerning civil law.

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

4 Article 1

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

8 Section 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 unit owners of a common
12 interest community, acting pursuant to bylaws through its duly
13 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.

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

20 "Board of directors" means, for a common interest community
21 that has been incorporated as an Illinois not-for-profit
22 corporation, the group of people elected by the unit owners of

1 a common interest community as the governing body to exercise
2 for the unit owners of the common interest community
3 association all powers, duties, and authority vested in the
4 board of directors under this Act and the common interest
5 community association's declaration and bylaws.

6 "Board of managers" means, for a common interest community
7 that is an unincorporated association, the group of people
8 elected by the unit owners of a common interest community as
9 the governing body to exercise for the unit owners of the
10 common interest community association all powers, duties, and
11 authority vested in the board of managers under this Act and
12 the common interest community association's declaration and
13 bylaws.

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

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

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

21 "Common interest community" means real estate other than a
22 condominium or cooperative with respect to which any person by
23 virtue of his or her ownership of a partial interest or a unit
24 therein is obligated to pay for the maintenance, improvement,
25 insurance premiums or real estate taxes of common areas
26 described in a declaration which is administered by an

1 association. "Common interest community" may include, but not
2 be limited to, an attached or detached townhome, villa, or
3 single-family home, or master association.

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

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

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

18 "Developer control" means such control at a time prior to
19 the election of the board of the common interest community
20 association by a majority of the unit owners other than the
21 developer.

22 "Majority" or "majority of the unit owners" means the
23 owners of more than 50% in the aggregate in interest of the
24 undivided ownership of the common elements. Any specified
25 percentage of the unit owners means such percentage in the
26 aggregate in interest of such undivided ownership. "Majority"

1 or "majority of the members of the board of the common interest
2 community association" means more than 50% of the total number
3 of persons constituting such board pursuant to the bylaws. Any
4 specified percentage of the members of the common interest
5 community association means that percentage of the total number
6 of persons constituting such board pursuant to the bylaws.

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

14 "Master association" means a common interest community
15 association that exercises its powers on behalf of one or more
16 condominium or other common interest community associations or
17 for the benefit of unit owners in such associations.

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

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

25 "Person" means a natural individual, corporation,
26 partnership, trustee, or other legal entity capable of holding

1 title to real property.

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

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

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

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

20 "Reserves" means those sums paid by unit owners which are
21 separately maintained by the common interest community
22 association for purposes specified by the declaration and
23 bylaws of the common interest community association.

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

26 "Unit owner" means the person or persons whose estates or

1 interests, individually or collectively, aggregate fee simple
2 absolute ownership of a unit.

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

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

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

12 (b) All provisions of the declaration, bylaws, and other
13 community instruments 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 Section 1-20. Amendments to the declaration or bylaws.

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

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

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

25 Section 1-25. Board of managers, board of directors,

1 duties, elections, and voting.

2 (a) There shall be an election of the board of managers or
3 board of directors from among the unit owners of a common
4 interest community association.

5 (b) The terms of at least one-third of the members of the
6 board shall expire annually and all members of the board shall
7 be elected at large.

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

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

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

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

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

1 unit owners;

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

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

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

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

25 (1) by proxy executed in writing by the unit owner or
26 by his or her duly authorized attorney in fact, provided,

1 however, that the proxy bears the date of execution. Unless
2 the community instruments or the written proxy itself
3 provide otherwise, proxies will not be valid for more than
4 11 months after the date of its execution; or

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

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

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

19 (j) The purchaser of a unit from a seller other than the
20 developer pursuant to an installment contract for purchase
21 shall, during such times as he or she resides in the unit, be
22 counted toward a quorum for purposes of election of members of
23 the board at any meeting of the unit owners called for purposes
24 of electing members of the board, shall have the right to vote
25 for the election of members of the common interest community
26 association and to be elected to and serve on the board unless

1 the seller expressly retains in writing any or all of such
2 rights.

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

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

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

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

22 (d) (Blank).

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

25 (f) The association shall have one class of membership

1 unless the declaration or bylaws provide otherwise; however,
2 this subsection (f) shall not be construed to limit the
3 operation of subsection (c) of Section 1-20 of this Act.

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

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

20 (i) Board records.

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

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

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

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

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

23 (v) With a written statement of a proper purpose,
24 such other records of the board as are available for
25 inspection by members of a not-for-profit corporation
26 pursuant to Section 107.75 of the General Not For

1 Profit Corporation Act of 1986 shall be maintained.

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

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

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

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

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

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

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

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

16 (c) Two-thirds of the unit owners may remove a board member
17 as a director at a duty called special meeting of the unit
18 owners.

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

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

25 (2) A statement of any liens, including a statement of

1 the account of the unit setting forth the amounts of unpaid
2 assessments and other charges due and owing.

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

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

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

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

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

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

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 Section 1-40. Meetings.

4 (a) Written notice of any membership meeting shall be
5 mailed or delivered giving members no less than 10 and no more
6 than 30 days notice of the time, place, and purpose of such
7 meeting.

8 (b) Meetings.

9 (1) Twenty percent of the unit owners shall constitute
10 a quorum, unless the community instruments indicate
11 otherwise.

12 (2) The unit owners shall hold an annual meeting, one
13 of the purposes of which shall be to elect members of the
14 board of managers or board of directors of the common
15 interest community association.

16 (3) Special meetings of the board may be called by the
17 president or 25% of the members of the board. Special
18 meetings of the unit owners may be called by the president,
19 the board, or by 20% of unit owners.

20 (4) Except to the extent otherwise provided by this
21 Act, the board shall give the unit owners notice of all
22 board meetings at least 48 hours prior to the meeting by
23 sending notice by mail, personal delivery, or by posting
24 copies of notices of meetings in entranceways, elevators,
25 or other conspicuous places in the common interest

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

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

25 (6) The board must reserve a portion of the meeting of
26 the board for comments by unit owners; provided, however,

1 the duration and meeting order for the unit owner comment
2 period is within the sole discretion of the board.

3 Section 1-45. Finances.

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

9 (b) The board shall annually supply to all unit owners an
10 itemized accounting of the common expenses for the preceding
11 year actually incurred or paid, together with an indication of
12 which portions were for reserves, capital expenditures or
13 repairs or payment of real estate taxes and with a tabulation
14 of the amounts collected pursuant to the budget or assessment,
15 and showing the net excess or deficit of income over
16 expenditures plus reserves.

17 (c) If an adopted budget or any separate assessment adopted
18 by the board would result in the sum of all regular and
19 separate assessments payable in the current fiscal year
20 exceeding 115% of the sum of all regular and separate
21 assessments payable during the preceding fiscal year, the
22 common interest community association, upon written petition
23 by unit owners with 20% of the votes of the association
24 delivered to the board within 14 days of the board action,
25 shall call a meeting of the unit owners within 30 days of the

1 date of delivery of the petition to consider the budget or
2 separate assessment; unless a majority of the total votes of
3 the unit owners are cast at the meeting to reject the budget or
4 separate assessment, it shall be deemed ratified.

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

8 (e) Separate assessments for expenditures relating to
9 emergencies or mandated by law may be adopted by the board
10 without being subject to unit owner approval or the provisions
11 of subsection (c) or (f) of this Section. As used herein,
12 "emergency" means an immediate danger to the structural
13 integrity of the common areas or to the life, health, safety,
14 or property of the unit owners.

15 (f) Assessments for additions and alterations to the common
16 areas or to association-owned property not included in the
17 adopted annual budget, shall be separately assessed and are
18 subject to approval of two-thirds of the total votes of all
19 unit owners.

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

26 (h) The board of a common interest community association

1 shall have the authority to establish and maintain a system of
2 master metering of public utility services to collect payments
3 in conjunction therewith, subject to the requirements of the
4 Tenant Utility Payment Disclosure Act.

5 Section 1-50. Administration of property prior to election
6 of the initial board of directors.

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

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

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

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

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

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

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

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

8 (5) A list of all litigation, administrative action,
9 and arbitrations involving the association, any notices of
10 governmental bodies involving actions taken or which may be
11 taken concerning the association, engineering and
12 architectural drawings and specifications as approved by
13 any governmental authority, all other documents filed with
14 any other governmental authority, all governmental
15 certificates, correspondence involving enforcement of any
16 association requirements, copies of any documents relating
17 to disputes involving unit owners, and originals of all
18 documents relating to everything listed in this 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 unit owners or
8 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 unit owners, other than the developer, cast at a special
13 meeting of members called for that purpose during a period of
14 90 days prior to the expiration of the 2-year period if the
15 board is elected by the unit owners, otherwise by more than
16 one-half of the underlying common interest community
17 association board. At least 60 days prior to the expiration of
18 the 2-year period, the board or, if the board is still under
19 developer control, the developer shall send notice to every
20 unit owner notifying them of this provision, of what contracts,
21 leases, and other agreements are affected, and of the procedure
22 for calling a meeting of the unit owners or for action by the
23 board for the purpose of acting to terminate such contracts,
24 leases or other agreements. During the 90-day period the other
25 party to the contract, lease, or other agreement shall also
26 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 unit owners have elected a majority of the members of the
4 board.

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

18 Section 1-60. Errors and omissions.

19 (a) If there is an omission or error in the declaration or
20 other instrument of the association, the association may
21 correct the error or omission by an amendment to the
22 declaration or other instrument, as may be required to conform
23 it to this Act, to any other applicable statute, or to the
24 declaration. The amendment shall be adopted by vote of

1 two-thirds of the members of the board of directors or by a
2 majority vote of the unit owners at a meeting called for that
3 purpose, unless the Act or the declaration of the association
4 specifically provides for greater percentages or different
5 procedures.

6 (b) If, through a scrivener's error, a unit has not been
7 designated as owning an appropriate undivided share of the
8 common areas or does not bear an appropriate share of the
9 common expenses, or if all of the common expenses or all of the
10 common elements have not been distributed in the declaration,
11 so that the sum total of the shares of common areas which have
12 been distributed or the sum total of the shares of the common
13 expenses fail to equal 100%, or if it appears that more than
14 100% of the common elements or common expenses have been
15 distributed, the error may be corrected by operation of law by
16 filing an amendment to the declaration, approved by vote of
17 two-thirds of the members of the board or a majority vote of
18 the unit owners at a meeting called for that purpose, which
19 proportionately adjusts all percentage interests so that the
20 total is equal to 100%, unless the declaration specifically
21 provides for a different procedure or different percentage vote
22 by the owners of the units and the owners of mortgages thereon
23 affected by modification being made in the undivided interest
24 in the common areas, the number of votes in the association or
25 the liability for common expenses appertaining to the unit.

26 (c) If a scrivener's error in the declaration or other

1 instrument is corrected by vote of two-thirds of the members of
2 the board pursuant to the authority established in subsection
3 (a) or subsection (b), the board, upon written petition by unit
4 owners with 20% of the votes of the association received within
5 30 days of the board action, shall call a meeting of the unit
6 owners within 30 days of the filing of the petition to consider
7 the board action. Unless a majority of the votes of the unit
8 owners of the association are cast at the meeting to reject the
9 action, it is ratified whether or not a quorum is present.

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

20 Section 1-65. Management company. A management company
21 holding reserve funds of an association shall at all times
22 maintain a separate account for each association, unless by
23 contract the board of managers of the association authorizes a
24 management company to maintain association reserves in a single
25 account with other associations for investment purposes. With

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

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

19 (a) Notwithstanding any provision in the declaration,
20 bylaws, community instruments, rules, regulations, or
21 agreements or other instruments of a common interest community
22 association or a board's construction of any of those
23 instruments, a board may not prohibit the display of the
24 American flag or a military flag, or both, on or within the
25 limited common areas and facilities of a unit owner or on the

1 immediately adjacent exterior of the building in which the unit
2 of a unit owner is located. A board may adopt reasonable rules
3 and regulations, consistent with Sections 4 through 10 of
4 Chapter 1 of Title 4 of the United States Code, regarding the
5 placement and manner of display of the American flag and a
6 board may adopt reasonable rules and regulations regarding the
7 placement and manner of display of a military flag. A board may
8 not prohibit the installation of a flagpole for the display of
9 the American flag or a military flag, or both, on or within the
10 limited common areas and facilities of a unit owner or on the
11 immediately adjacent exterior of the building in which the unit
12 of a unit owner is located, but a board may adopt reasonable
13 rules and regulations regarding the location and size of
14 flagpoles.

15 (b) As used in this Section:

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

25 "Military flag" means a flag of any branch of the
26 United States armed forces or the Illinois National Guard

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

7 Section 1-75. Exemptions for small community interest
8 communities.

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

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

1 Article 5

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

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

6 "Military service" means Federal service or active duty
7 with any branch of service hereinafter referred to as well as
8 training or education under the supervision of the United
9 States preliminary to induction into the military service for a
10 period of not less than 180 days. "Military service" also
11 includes any period of active duty with the State of Illinois
12 pursuant to the orders of the President of the United States or
13 the Governor.

14 "Service member" means and includes the following persons
15 and no others: all members of the Army of the United States,
16 the United States Navy, the Marine Corps, the Air Force, the
17 Coast Guard and all members of the State Militia called into
18 the service or training of the United States of America or of
19 this State.

20 The foregoing definitions shall apply both to voluntary
21 enlistment and to induction into service by draft or
22 conscription.

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

5 (1) the lease is executed by or on behalf of a person
6 who thereafter and during the term of the lease enters
7 military service; or

8 (2) the service member, while in military service,
9 executes the lease and thereafter receives military orders
10 for a permanent change of station or to deploy with a
11 military unit, or as an individual in support of a military
12 operation, for a period of not less than 90 days.

13 Section 5-15. Termination by lessee. The lessee on a lease
14 described in Section 5-10 may, at the lessee's option,
15 terminate the lease at any time after (i) the lessee's entry
16 into military service or (ii) the date of the lessee's military
17 orders described in subdivision (2) of Section 5-10, as the
18 case may be.

19 Section 5-20. Manner of termination; effective date of
20 termination.

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

24 (b) Termination of a lease under Section 5-15 is made by

1 delivery by the lessee of written notice of such termination,
2 and a copy of the service member's military orders, to the
3 lessor, the lessor's grantee, the lessor's agent, or the
4 agent's grantee. Delivery of notice may be accomplished (i) by
5 hand delivery, (ii) by private business carrier, or (iii) by
6 placing the written notice in the United States mail in an
7 envelope with sufficient postage and with return receipt
8 requested, and addressed as designated by the lessor, the
9 lessor's grantee, the lessor's agent, or the agent's grantee.

10 (c) In the case of a lease that provides for monthly
11 payment of rent, termination of the lease under Section 5-15 is
12 effective 30 days after the first date on which the next rental
13 payment is due and payable after the date on which the notice
14 under subsection (b) of this Section is delivered. In the case
15 of any other lease, termination of the lease under Section 5-15
16 is effective on the last day of the month following the month
17 in which the notice is delivered.

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

19 (a) Rents or lease amounts unpaid for the period preceding
20 the effective date of the lease termination shall be paid on a
21 prorated basis. Rents or lease amounts paid in advance for a
22 period after the effective date of the termination of the lease
23 shall be refunded to the lessee by the lessor, the lessor's
24 grantee, the lessor's agent, or the agent's grantee within 30
25 days after the effective date of the termination of the lease.

1 Any relief granted by this Act to a service member may be
2 modified as justice and equity require.

3 (b) Upon termination of a rental agreement under this Act,
4 the tenant is liable for the rent due under the rental
5 agreement prorated to the effective date of the termination
6 payable at such time as would have otherwise been required by
7 the terms of the rental agreement. The tenant is not liable for
8 any other rent or any liquidated damages due to the early
9 termination; provided, however, that a tenant may be liable for
10 the cost of repairing damage to the premises caused by an act
11 or omission of the tenant.

12 Section 5-30. Right of action. A person who is aggrieved by
13 a violation of this Act shall have a right of action in circuit
14 court to enforce the provisions of this Act and in doing so may
15 recover attorney's fees and costs. The remedy and rights
16 provided under this Act are in addition to and do not preclude
17 any remedy for wrongful conversion otherwise available under
18 law to the person claiming relief under this Act, including any
19 award for consequential or punitive damages.

20 Article 99

21 Section 99-5. Effective date. This Act takes effect upon
22 becoming law.