SB3180 Engrossed

1 AN ACT concerning civil law.

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

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## Article 1

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

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.

"Board of directors" means, for a common interest community that has been incorporated as an Illinois not-for-profit corporation, the group of people elected by the unit owners of SB3180 Engrossed - 2 - LRB096 20251 AJO 35836 b

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 17 than a unit, reserved for the exclusive use of particular 18 units, including limited common areas.

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

"Common interest community" means real estate with respect to which any person by virtue of his or her ownership of a unit therein is obligated to pay for the maintenance, improvement, insurance premiums or real estate taxes of common areas. SB3180 Engrossed - 3 - LRB096 20251 AJO 35836 b

an attached or detached townhome, villa, or single-family home.
"Common interest community" does not include a condominium,
cooperative, or other property that has submitted to the
provisions of the Condominium Property Act.

5 "Community instruments" means all documents and authorized 6 amendments thereto recorded by a developer or common interest 7 community association, including, but not limited to, the 8 declaration, bylaws, plat of survey, and rules and regulations.

9 "Declaration" means the instrument by which the property is 10 submitted to the provisions of this Act, as hereinafter 11 provided, and such declaration as it is from time to time 12 amended.

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

20 "Developer control" means such control at a time prior to 21 the election of the board of the common interest community 22 association.

"Limited common areas" means a portion of the common areas so designated in the declaration as being reserved for the use of a certain unit or units to the exclusion of other units, including, but not limited, to balconies, terraces, patios, and SB3180 Engrossed - 4 - LRB096 20251 AJO 35836 b

1 parking spaces or facilities.

2 "Majority" or "majority of the unit owners" means the owners of more than 50% in the aggregate in interest of the 3 undivided ownership of the common elements. Any specified 4 5 percentage of the unit owners means such percentage in the 6 aggregate in interest of such undivided ownership. "Majority" 7 or "majority of the members of the board of the common interest community association" means more than 50% of the total number 8 9 of persons constituting such board pursuant to the bylaws. Any 10 specified percentage of the members of the common interest 11 community association means that percentage of the total number 12 of persons constituting such board pursuant to the bylaws.

13 "Management company" or "community association manager" 14 means a person, partnership, corporation, or other legal entity 15 entitled to transact business on behalf of others, acting on 16 behalf of or as an agent for an association for the purpose of 17 the duties, responsibilities, carrying out and other 18 obligations necessary for the day to day operation and 19 management of any property subject to this Act.

20 "Meeting of the board" or "board meeting" means any 21 gathering of a quorum of the members of the board of the common 22 interest community association held for the purpose of 23 conducting board business.

24 "Parcel" means the lot or lots or tract or tracts of land, 25 described in the declaration as part of a common interest 26 community. SB3180 Engrossed - 5 - LRB096 20251 AJO 35836 b

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

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

9 "Property" means all the land, property, and space 10 comprising the parcel, all improvements and structures 11 erected, constructed or contained therein or thereon, 12 including any building and all easements, rights, and 13 belonging thereto, appurtenances and all fixtures and equipment intended for the mutual use, benefit, or enjoyment of 14 15 the unit owners, under the authority or control of a common 16 interest community association.

17 "Purchaser" means any person or persons, other than the 18 developer, who purchase a unit in a bona fide transaction for 19 value.

20 "Record" means to record in the office of the recorder of 21 the county wherein the property is located.

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

26 "Unit" means a part of the property designed and intended

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1 for any type of independent use.

2 "Unit owner" means the person or persons whose estates or 3 interests, individually or collectively, aggregate fee simple 4 absolute ownership of a unit.

5 Section 1-10. Applicability. Unless expressly provided 6 otherwise, the provisions of this Act are applicable to all 7 common interest community associations in this State that have 8 not been submitted to the provisions of the Condominium 9 Property Act. Any provisions of a community instrument that 10 contain provisions inconsistent with this Act are void as 11 against public policy and ineffective.

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

14 (a) Except to the extent otherwise provided by the15 declaration or other community instruments:

16 (1) The terms defined in Section 1-5 of this Act shall
17 be deemed to have the meaning specified therein unless the
18 context otherwise requires.

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

24 (b) All provisions of the declaration, bylaws, and other

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1 community instruments are severable.

2 (c) Except to the extent otherwise provided by the 3 declaration, bylaws, or other community instruments recorded 4 prior to the effective date of this Act, in the event of a 5 conflict between the provisions of the declaration, bylaws, or 6 other community instruments, the declaration prevails except 7 to the extent the declaration is inconsistent with this Act.

8 (d) A provision in the initial declaration limiting 9 ownership, rental, or occupancy of a unit to a person 55 years of age or older shall be valid and deemed not to be in 10 11 violation of Article 3 of the Illinois Human Rights Act 12 provided that the person or the immediate family of a person owning, renting, or lawfully occupying such unit prior to the 13 recording of the initial declaration shall not be deemed to be 14 15 in violation of such age restriction so long as they continue 16 to own or reside in such unit.

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

18 (a) The administration of every property shall be governed 19 by the declaration and bylaws, which may either be embodied in 20 the declaration or in a separate instrument, a true copy of 21 which shall be appended to and recorded with the declaration. 22 No modification or amendment of the declaration or bylaws shall be valid unless the same is set forth in an amendment thereof 23 24 and such amendment is duly recorded. An amendment of the 25 declaration or bylaws shall be deemed effective upon SB3180 Engrossed - 8 - LRB096 20251 AJO 35836 b 1 recordation, unless the amendment sets forth a different 2 effective date.

3 (b) Unless otherwise provided by this Act, amendments to 4 community instruments authorized to be recorded shall be 5 executed and recorded by the president of the board or such 6 other officer authorized by the common interest community 7 association or the declaration.

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

10 (a) There shall be an election of the board of managers or 11 board of directors from among the unit owners of a common 12 interest community association.

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

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

(d) No member of the board or officer shall be elected for
a term of more than 2 years, but officers and board members may
succeed themselves.

(e) If there is a vacancy on the board, the remaining members of the board may fill the vacancy by a two-thirds vote of the remaining board members until the next annual meeting of unit owners or until unit owners holding 20% of the votes of SB3180 Engrossed - 9 - LRB096 20251 AJO 35836 b

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

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(f) There shall be an election of a:

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

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

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

17 (q) If no election is held to elect board members within the time period specified in the bylaws, or within a reasonable 18 19 amount of time thereafter not to exceed 90 days, then 20% of 20 the unit owners may bring an action to compel compliance with 21 the election requirements specified in the bylaws. If the court 22 finds that an election was not held to elect members of the 23 board within the required period, the unit owners shall be 24 entitled to recover their reasonable attorney's fees and costs. 25 If the relevant notice requirements have been met and an 26 election is not held solely due to a lack of a quorum, then SB3180 Engrossed - 10 - LRB096 20251 AJO 35836 b

1 this subsection (g) does not apply.

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

6 (1) by proxy executed in writing by the unit owner or 7 by his or her duly authorized attorney in fact, provided, 8 however, that the proxy bears the date of execution. Unless 9 the community instruments or the written proxy itself 10 provide otherwise, proxies will not be valid for more than 11 11 months after the date of its execution; by proxy 12 executed in writing by the unit owner or by his or her duly authorized attorney in fact; that the proxy must bear the 13 14 date of execution and, unless the community instruments or 15 the written proxy itself provide otherwise, is invalid after 11 months from the date of its execution; or 16

17 (2) by submitting an association-issued ballot in18 person at the election meeting; or

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

(i) The association may, upon adoption of the appropriate rules by the board, conduct elections by secret ballot whereby the voting ballot is marked only with the voting interest for the unit and the vote itself, provided that the association shall further adopt rules to verify the status of the unit SB3180 Engrossed - 11 - LRB096 20251 AJO 35836 b

owner issuing a proxy or casting a ballot. A candidate for election to the board or such candidate's representative shall have the right to be present at the counting of ballots at such election.

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

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

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

(b) A member of the board of the common interest community 17 18 association may not enter into a contract with a current board 19 member, or with a corporation or partnership in which a board 20 member or a member of his or her immediate family has 25% or 21 more interest, unless notice of intent to enter into the 22 contract is given to unit owners within 20 days after a 23 decision is made to enter into the contract and the unit owners 24 are afforded an opportunity by filing a petition, signed by 20% 25 of the unit owners, for an election to approve or disapprove SB3180 Engrossed - 12 - LRB096 20251 AJO 35836 b

the contract; such petition shall be filed within 20 days after such notice and such election shall be held within 30 days after filing the petition. For purposes of this subsection, a board member's immediate family means the board member's spouse, parents, and children.

6 (c) The bylaws shall provide for the maintenance, repair, 7 and replacement of the common areas and payments therefor, 8 including the method of approving payment vouchers.

9 (d) The association shall have no authority to forbear the 10 payment of assessments by any unit owner.

11 (e) The association may engage the services of a manager or 12 management company.

13 (f) The association shall have one class of membership 14 unless the declaration or bylaws provide otherwise.

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

(h) Other than attorney's fees, no fees pertaining to the collection of a unit owner's financial obligation to the association, including fees charged by a manager or managing agent, shall be added to and deemed a part of a unit owner's respective share of the common expenses unless: (i) the managing agent fees relate to the costs to collect common SB3180 Engrossed - 13 - LRB096 20251 AJO 35836 b

expenses for the association; (ii) the fees are set forth in a contract between the managing agent and the association; and (iii) the authority to add the management fees to a unit owner's respective share of the common expenses is specifically stated in the declaration or bylaws of the association.

(i) Board records.

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7 (1) The board shall maintain the following records of 8 the association and make them available for examination and 9 copying at convenient hours of weekdays by any unit owner 10 in a common interest community subject to the authority of 11 the board, their mortgagees, and their duly authorized 12 agents or attorneys:

13 (i) Copies of the recorded declaration, other 14 community instruments, other duly recorded covenants 15 and bylaws and any amendments, articles of 16 incorporation, annual reports, and any rules and 17 regulations adopted by the board shall be available. Prior to the organization of the board, the developer 18 shall maintain and make available the records set forth 19 20 in this paragraph (i) for examination and copying.

21 Detailed (ii) and accurate records in 22 chronological order of the receipts and expenditures 23 affecting the common areas, specifying and itemizing 24 the maintenance and repair expenses of the common areas 25 and any other expenses incurred, and copies of all 26 contracts, leases, or other agreements entered into by 1 2

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the board, shall be maintained.

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

4 (iv) Ballots and proxies related thereto, if any, 5 for any election held for the board and for any other 6 matters voted on by the unit owners, which shall be 7 maintained for not less than one year.

(v) Such other records of the board 8 as are 9 available for inspection by members of а 10 not-for-profit corporation pursuant to Section 107.75 11 of the General Not For Profit Corporation Act of 1986 12 shall be maintained.

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

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

(3) A reasonable fee may be charged by the board forthe cost of copying.

(4) If the board fails to provide records properly
 requested under paragraph (1) of this subsection (i) within

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the time period provided in that paragraph (1), the unit owner may seek appropriate relief and shall be entitled to an award of reasonable attorney's fees and costs if the unit owner prevails.

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

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

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10 (a) The unit owners shall have the right to vote for the 11 election of members of the board and to be elected to and serve on the board unless the seller expressly retains in writing any 12 13 or all of those rights. In no event may the seller and 14 purchaser both be counted toward a quorum, be permitted to vote 15 for a particular office, or be elected and serve on the board. 16 In the event of a resale of a unit from a seller pursuant to an installment contract during such time as the purchaser resides 17 18 in the unit, the purchaser shall be counted towards a quorum 19 and may vote for and be elected to serve on the board unless 20 the seller expressly retains, in writing, any or all of these 21 rights.

(b) The provisions of this Act, the declaration, bylaws, other community instruments, and rules and regulations that relate to the use of an individual unit or the common areas shall be applicable to any person leasing a unit and shall be SB3180 Engrossed - 16 - LRB096 20251 AJO 35836 b

deemed to be incorporated in any lease executed or renewed on or after the effective date of this Act. With regard to any lease entered into subsequent to the effective date of this Act, the unit owner leasing the unit shall deliver a copy of the signed lease to the association or if the lease is oral, a memorandum of the lease, not later than the date of occupancy or 10 days after the lease is signed, whichever occurs first.

8 (c) If there are multiple owners of a single unit, only one 9 of the multiple owners shall be eligible to serve as a member 10 of the board at any one time.

11 (d) Two-thirds of the unit owners may prescribe the method 12 for the removal of a board member.

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

18 (1) A copy of the declaration, other instruments, and19 any rules and regulations.

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

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

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(4) A statement of the status and amount of any reserve

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for replacement fund and any portion of such fund earmarked

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3 (5) A copy of the statement of financial condition of 4 the association for the last fiscal year for which such a 5 statement is available.

for any specified project by the board.

6 (6) A statement of the status of any pending suits or 7 judgments in which the association is a party.

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

10 (8) A statement that any improvements or alterations 11 made to the unit, or any part of the common areas assigned 12 thereto, by the prior unit owner are in good faith believed 13 to be in compliance with the declaration of the 14 association.

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

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

23 Section 1-40. Meetings.

(a) Written notice of any membership meeting shall bemailed or delivered giving members no less than 10 and no more

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1 than 30 days notice of the time, place, and purpose of such 2 meeting.

3 (b) Meetings.

4 (1) Twenty percent of the unit owners shall constitute
5 a quorum, unless the community instruments indicate
6 otherwise.

7 (2) The unit owners shall hold an annual meeting, one
8 of the purposes of which shall be to elect members of the
9 board of managers or board of directors of the common
10 interest community association.

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

15 (4) Except to the extent otherwise provided by this 16 Act, the board shall ensure that unit owners receive notice 17 of all board meetings at least 48 hours prior to the 18 meeting by sending notice by mail, personal delivery, or by 19 posting copies of notices of meetings in entranceways, 20 elevators, or other conspicuous places in the common 21 interest community at least 48 hours prior to the meeting 22 except where there is no common entranceway for 7 or more 23 units, the board may designate one or more locations in the 24 proximity of these units where the notices of meetings 25 shall be posted. The board shall give unit owners, by mail 26 or personal delivery, notice of any board meeting SB3180 Engrossed - 19 - LRB096 20251 AJO 35836 b

concerning the adoption of (i) the proposed annual budget, (ii) regular assessments, or (iii) a separate or special assessment within 10 to 30 days prior to the meeting, unless otherwise provided in Section 1-45 (a) or any other provision of this Act.

(5) Meetings of the board shall be open to any unit 6 7 owner, except for the portion of any meeting held (i) to 8 discuss litigation when an action against or on behalf of 9 the particular association has been filed and is pending in 10 a court or administrative tribunal, or when the common 11 interest community association finds that such an action is 12 imminent, (ii) to consider information probable or regarding appointment, employment, or dismissal of an 13 14 employee, or (iii) to discuss violations of rules and 15 regulations of the association or a unit owner's unpaid share of common expenses. Any vote on these matters shall 16 17 be taken at a meeting or portion thereof open to any unit 18 owner.

19 (6) The board must reserve a portion of the meeting of20 the board for comments by unit owners.

21 Section 1-45. Finances.

(a) Each unit owner shall receive, at least 30 days prior
to the adoption thereof by the board, a copy of the proposed
annual budget together with an indication of which portions are
intended for reserves, capital expenditures or repairs or

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1 payment of real estate taxes.

2 (b) The board shall annually supply to all unit owners an 3 itemized accounting of the common expenses for the preceding year actually incurred or paid, together with an indication of 4 5 which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation 6 7 of the amounts collected pursuant to the budget or assessment, 8 and showing the net excess or deficit of income over 9 expenditures plus reserves.

10 (c) If an adopted budget or any separate assessment adopted 11 by the board would result in the sum of all regular and 12 separate assessments payable in the current fiscal year 13 exceeding 115% of the sum of all regular and separate 14 assessments payable during the preceding fiscal year, the 15 common interest community association, upon written petition 16 by unit owners with 20% of the votes of the association 17 delivered to the board within 14 days of the board action, shall call a meeting of the unit owners within 30 days of the 18 19 date of delivery of the petition to consider the budget or 20 separate assessment; unless a majority of the total votes of 21 the unit owners are cast at the meeting to reject the budget or 22 separate assessment, it shall be deemed ratified.

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

26 (e) Separate assessments for expenditures relating to

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emergencies or mandated by law may be adopted by the board without being subject to unit owner approval or the provisions of subsection (c) or (f) of this Section. As used herein, "emergency" means an immediate danger to the structural integrity of the common areas or to the life, health, safety, or property of the unit owners.

7 (f) Assessments for additions and alterations to the common 8 areas or to association-owned property not included in the 9 adopted annual budget, shall be separately assessed and are 10 subject to approval of two-thirds of the total votes of all 11 unit owners.

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

18 Section 1-50. Administration of property prior to election19 of the initial board of directors.

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

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(b) The election of the initial board, whose declaration is 1 2 recorded on or after the effective date of this Act shall be 3 held not later than 60 days after the conveyance by the developer of 75% of the units, or 3 years after the recording 4 5 of the declaration, whichever is earlier. The developer shall give at least 21 days' notice of the meeting to elect the 6 7 initial board of directors and shall upon request provide to 8 any unit owner, within 3 working days of the request, the 9 names, addresses, and weighted vote of each unit owner entitled 10 to vote at the meeting. Any unit owner shall, upon receipt of 11 the request, be provided with the same information, within 10 12 days after the request, with respect to each subsequent meeting to elect members of the board of directors. 13

14 (c) If the initial board of a common interest community 15 association whose declaration is recorded on or after the 16 effective date of this Act is not elected by the time 17 established in subsection (b), the developer shall continue in 18 office for a period of 30 days, whereupon written notice of his 19 or her resignation shall be sent to all of the unit owners or 20 members.

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

(1) All original documents as recorded or filed
 pertaining to the property, its administration, and the
 association, such as the declaration, articles of

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incorporation, other instruments, annual reports, minutes, rules and regulations, and contracts, leases, or other agreements entered into by the association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the developer, or an officer or agent of the developer, as being a complete copy of the actual document recorded or filed.

8 (2) A detailed accounting by the developer, setting 9 forth the source and nature of receipts and expenditures in 10 connection with the management, maintenance, and operation 11 of the property, copies of all insurance policies, and a 12 list of any loans or advances to the association which are 13 outstanding.

14 (3) Association funds, which shall have been at all15 times segregated from any other moneys of the developer.

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

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

(6) If the developer fails to fully comply with this 6 7 subsection (d) within the 60 days provided and fails to 8 fully comply within 10 days after written demand mailed by 9 registered or certified mail to his or her last known 10 address, the board may bring an action to compel compliance with this subsection (d). If the court finds that any of 11 12 the required deliveries were not made within the required period, the board shall be entitled to recover 13 its reasonable attorney's fees and costs incurred from and 14 15 after the date of expiration of the 10 day demand.

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

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90 days prior to the expiration of the 2 year period if the 1 2 board is elected by the unit owners, otherwise by more than 3 one-half of the underlying common interest community association board. At least 60 days prior to the expiration of 4 5 the 2 year period, the board or, if the board is still under developer control, the developer shall send notice to every 6 7 unit owner notifying them of this provision, of what contracts, 8 leases, and other agreements are affected, and of the procedure 9 for calling a meeting of the unit owners or for action by the 10 board for the purpose of acting to terminate such contracts, 11 leases or other agreements. During the 90 day period the other 12 party to the contract, lease, or other agreement shall also have the right of cancellation. 13

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

18 Section 1-55. Fidelity insurance. An association with 30 or more units shall obtain and maintain fidelity insurance 19 20 covering persons who control or disburse funds of the 21 association for the maximum amount of coverage available to 22 protect funds in the custody or control of the association plus 23 the association reserve fund. All management companies which 24 are responsible for the funds held or administered by the association shall maintain and furnish to the association a 25

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fidelity bond for the maximum amount of coverage available to protect funds in the custody of the management company at any time. The association shall bear the cost of the fidelity insurance and fidelity bond, unless otherwise provided by contract between the association and a management company.

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## Section 1-60. Errors and omissions.

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

(b) If, through a scrivener's error, a unit has not been designated as owning an appropriate undivided share of the common areas or does not bear an appropriate share of the common expenses, or if all of the common expenses or all of the common elements have not been distributed in the declaration, so that the sum total of the shares of common areas which have been distributed or the sum total of the shares of the common SB3180 Engrossed - 27 - LRB096 20251 AJO 35836 b

expenses fail to equal 100%, or if it appears that more than 1 2 100% of the common elements or common expenses have been distributed, the error may be corrected by operation of law by 3 filing an amendment to the declaration, approved by vote of 4 5 two-thirds of the members of the board or a majority vote of the unit owners at a meeting called for that purpose, which 6 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.

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

(d) Nothing contained in this Section shall be construed toinvalidate any provision of a declaration authorizing the

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

9 Section 1-65. Management company. A management company 10 holding reserve funds of an association shall at all times 11 maintain a separate account for each association, provided, 12 however, that for investment purposes, the board of managers of 13 an association may authorize a management company to maintain 14 the association's reserve funds in a single interest bearing 15 account with similar funds of other associations. The 16 management company shall at all times maintain records identifying all moneys of each association in such investment 17 18 account unless the association and the management company 19 otherwise provide in the management agreement. The management 20 company may hold all operating funds of associations which it 21 manages in a single operating account, but shall at all times 22 maintain records identifying all moneys of each association in such operating account. Such operating and reserve funds held 23 24 by the management company for the association shall not be 25 subject to attachment by any creditor of the management SB3180 Engrossed - 29 - LRB096 20251 AJO 35836 b

company. A management company that provides common interest 1 2 community association management services for more than one 3 common interest community association shall maintain separate, segregated accounts for each common interest 4 community 5 association. The funds shall not, in any event, be commingled 6 the management company, the firm of with funds of the management company, or any other common interest community 7 8 association. The maintenance of these accounts shall be 9 custodial, and the accounts shall be in the name of the 10 respective common interest community association.

11 Section 1-70. Display of American flag or military flag. 12 Notwithstanding any provision in the declaration, (a) 13 bvlaws, 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 American flag or a military flag, or both, on or within the 17 limited common areas and facilities of a unit owner or on the 18 19 immediately adjacent exterior of the building in which the unit 20 of a unit owner is located. A board may adopt reasonable rules 21 and regulations, consistent with Sections 4 through 10 of 22 Chapter 1 of Title 4 of the United States Code, regarding the 23 placement and manner of display of the American flag and a 24 board may adopt reasonable rules and regulations regarding the 25 placement and manner of display of a military flaq. A board may SB3180 Engrossed - 30 - LRB096 20251 AJO 35836 b

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

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 States Code and the Executive Orders entered in connection 11 12 with that Section) made of fabric, cloth, or paper displayed from a staff or flaqpole or in a window, but 13 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.

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

1

Article 5

Section 5-1. Short title. This Article may be cited as the
Service Member Residential Property Act, and references in this
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 pursuant to the orders of the President of the United States or 12 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.

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

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Section 5-10. Service member residential lease. The

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provisions of this Act apply to a lease of residential premises ccupied, or intended to be occupied, by a service member or a service member's dependents if:

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

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

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

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

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

(b) Termination of a lease under Section 5-15 is made by
 delivery by the lessee of written notice of such termination,

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

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

17

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

(a) Rents or lease amounts unpaid for the period preceding 18 19 the effective date of the lease termination shall be paid on a 20 prorated basis. Rents or lease amounts paid in advance for a 21 period after the effective date of the termination of the lease 22 shall be refunded to the lessee by the lessor, the lessor's grantee, the lessor's agent, or the agent's grantee within 30 23 24 days after the effective date of the termination of the lease. 25 Any relief granted by this Act to a service member may be SB3180 Engrossed - 34 - LRB096 20251 AJO 35836 b

1 modified as justice and equity require.

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

11 Section 5-30. Violation. А violation of this Act 12 constitutes a civil rights violation under the Illinois Human 13 Rights Act. The remedy and rights provided under this Act are 14 in addition to and do not preclude any remedy for wrongful 15 conversion otherwise available under law to the person claiming 16 relief under this Act, including any award for consequential or 17 punitive damages.

Section 5-90. The Condominium Property Act is amended by changing Section 18.5 as follows:

20 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

21 Sec. 18.5. Master Associations.

(a) If the declaration, other condominium instrument, orother duly recorded covenants provide that any of the powers of

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1 the unit owners associations are to be exercised by or may be 2 delegated to a nonprofit corporation or unincorporated 3 association that exercises those or other powers on behalf of 4 one or more condominiums, or for the benefit of the unit owners 5 of one or more condominiums, such corporation or association 6 shall be a master association.

7 (b) There shall be included in the declaration, other 8 condominium instruments, or other duly recorded covenants 9 establishing the powers and duties of the master association 10 the provisions set forth in subsections (c) through (h).

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

15 (c) Meetings and finances.

16 (1) Each unit owner of a condominium subject to the 17 authority of the board of the master association shall 18 receive, at least 30 days prior to the adoption thereof by 19 the board of the master association, a copy of the proposed 20 annual budget.

(2) The board of the master association shall annually supply to all unit owners of condominiums subject to the authority of the board of the master association an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with a tabulation of the amounts collected pursuant to the budget SB3180 Engrossed - 36 - LRB096 20251 AJO 35836 b

or assessment, and showing the net excess or deficit of
 income over expenditures plus reserves.

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

10 (4) Meetings of the board of the master association 11 shall be open to any unit owner in a condominium subject to 12 the authority of the board of the master association, 13 except for the portion of any meeting held:

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

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

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

Any vote on these matters shall be taken at a meeting or portion thereof open to any unit owner of a condominium subject to the authority of the master association. SB3180 Engrossed - 37 - LRB096 20251 AJO 35836 b

Any unit owner may record the proceedings at meetings 1 required to be open by this Act by tape, film or other 2 3 means; the board may prescribe reasonable rules and regulations to govern the right to make such recordings. 4 5 Notice of meetings shall be mailed or delivered at least 48 hours prior thereto, unless a written waiver of such notice 6 7 is signed by the persons entitled to notice before the 8 meeting is convened. Copies of notices of meetings of the 9 board of the master association shall be posted in 10 entranceways, elevators, or other conspicuous places in 11 the condominium at least 48 hours prior to the meeting of 12 the board of the master association. Where there is no 13 common entranceway for 7 or more units, the board of the 14 master association may designate one or more locations in 15 the proximity of these units where the notices of meetings 16 shall be posted.

17 (5) If the declaration provides for election by unit owners of members of the board of directors in the event of 18 19 a resale of a unit in the master association, the purchaser 20 of a unit from a seller other than the developer pursuant 21 to an installment contract for purchase shall, during such 22 times as he or she resides in the unit, be counted toward a 23 quorum for purposes of election of members of the board of 24 directors at any meeting of the unit owners called for 25 purposes of electing members of the board, and shall have 26 the right to vote for the election of members of the board SB3180 Engrossed - 38 - LRB096 20251 AJO 35836 b

of directors and to be elected to and serve on the board of 1 directors unless the seller expressly retains in writing 2 3 any or all of those rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to 4 5 vote for a particular office, or be elected and serve on Satisfactory evidence of the installment 6 the board. contract shall be made available to the association or its 7 8 agents. For purposes of this subsection, "installment 9 contract" shall have the same meaning as set forth in 10 subsection (e) of Section 1 of the Dwelling Unit 11 Installment Contract Act.

12 (6) The board of the master association shall have the 13 authority to establish and maintain a system of master 14 metering of public utility services and to collect payments 15 in connection therewith, subject to the requirements of the 16 Tenant Utility Payment Disclosure Act.

17 (7) The board of the master association or a common 18 interest community association shall have the power, after 19 notice and an opportunity to be heard, to levy and collect 20 reasonable fines from members for violations of the 21 declaration, bylaws, and rules and regulations of the 22 master association or the common interest community 23 association. Nothing contained in this subdivision (7) 24 shall give rise to a statutory lien for unpaid fines.

(8) Other than attorney's fees, no fees pertaining to
 the collection of a unit owner's financial obligation to

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

11 (d) Records.

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

18 (i) Copies of the recorded declaration, other 19 condominium instruments, other duly recorded covenants 20 amendments, and bylaws and any articles of 21 incorporation of the master association, annual 22 reports and any rules and regulations adopted by the 23 master association or its board shall be available. 24 Prior to the organization of the master association, 25 the developer shall maintain and make available the 26 records set forth in this subdivision (d)(1) for

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examination and copying.

2 (ii) Detailed and accurate records in 3 chronological order of the receipts and expenditures affecting the common areas, specifying and itemizing the maintenance and repair expenses of the common areas 6 and any other expenses incurred, and copies of all 7 contracts, leases, or other agreements entered into by the master association, shall be maintained. 8

9 (iii) The minutes of all meetings of the master 10 association and the board of the master association 11 shall be maintained for not less than 7 years.

12 (iv) Ballots and proxies related thereto, if any, 13 for any election held for the board of the master 14 association and for any other matters voted on by the 15 unit owners shall be maintained for not less than one 16 year.

17 (v) Such other records of the master association as 18 available for inspection by members are of а 19 not-for-profit corporation pursuant to Section 107.75 20 of the General Not For Profit Corporation Act of 1986 shall be maintained. 21

22 (vi) With respect to units owned by a land trust, 23 if a trustee designates in writing a person to cast 24 votes on behalf of the unit owner, the designation 25 shall remain in effect until a subsequent document is filed with the association. 26

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1 (2) Where a request for records under this subsection 2 is made in writing to the board of managers or its agent, 3 failure to provide the requested record or to respond 4 within 30 days shall be deemed a denial by the board of 5 directors.

6 (3) A reasonable fee may be charged by the master 7 association or its board for the cost of copying.

8 (4) If the board of directors fails to provide records 9 properly requested under subdivision (d)(1) within the 10 time period provided in subdivision (d)(2), the unit owner 11 may seek appropriate relief, including an award of 12 attorney's fees and costs.

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

18 (f) Administration of property prior to election of the 19 initial board of directors.

20 (1) Until the election, by the unit owners or the 21 boards of managers of the underlying condominium 22 associations, of the initial board of directors of a master 23 association whose declaration is recorded on or after 24 Auqust 10, 1990, the same rights, titles, powers, 25 privileges, trusts, duties and obligations that are vested 26 in or imposed upon the board of directors by this Act or in SB3180 Engrossed - 42 - LRB096 20251 AJO 35836 b

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the declaration or other duly recorded covenant shall be held and performed by the developer.

(2) The election of the initial board of directors of a 3 master association whose declaration is recorded on or 4 5 after August 10, 1990, by the unit owners or the boards of 6 managers of the underlying condominium associations, shall 7 be held not later than 60 days after the conveyance by the 8 developer of 75% of the units, or 3 years after the 9 recording of the declaration, whichever is earlier. The 10 developer shall give at least 21 days notice of the meeting 11 to elect the initial board of directors and shall upon 12 request provide to any unit owner, within 3 working days of 13 the request, the names, addresses, and weighted vote of 14 each unit owner entitled to vote at the meeting. Any unit 15 owner shall upon receipt of the request be provided with 16 the same information, within 10 days of the request, with respect to each subsequent meeting to elect members of the 17 board of directors. 18

19 (3) If the initial board of directors of a master 20 association whose declaration is recorded on or after 21 August 10, 1990 is not elected by the unit owners or the 22 members of the underlying condominium association board of 23 managers at the time established in subdivision (f)(2), the 24 developer shall continue in office for a period of 30 days, 25 whereupon written notice of his resignation shall be sent 26 to all of the unit owners or members of the underlying SB3180 Engrossed - 43 - LRB096 20251 AJO 35836 b

1 2 condominium board of managers entitled to vote at an election for members of the board of directors.

3 (4) Within 60 days following the election of a majority 4 of the board of directors, other than the developer, by 5 unit owners, the developer shall deliver to the board of 6 directors:

7 (i) All original documents as recorded or filed pertaining to the property, its administration, and 8 9 the association, such as the declaration, articles of 10 incorporation, other instruments, annual reports, 11 minutes, rules and regulations, and contracts, leases, 12 or other agreements entered into by the association. If 13 any original documents are unavailable, a copy may be 14 provided if certified by affidavit of the developer, or 15 an officer or agent of the developer, as being a 16 complete copy of the actual document recorded or filed.

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

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

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(iv) A schedule of all real or personal property,

equipment and fixtures belonging to the association, including documents transferring the property, warranties, if any, for all real and personal property and equipment, deeds, title insurance policies, and all tax bills.

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

19 (vi) If the developer fails to fully comply with 20 this paragraph (4) within the 60 days provided and fails to fully comply within 10 days of written demand 21 22 mailed by registered or certified mail to his or her 23 last known address, the board may bring an action to 24 compel compliance with this paragraph (4). If the court 25 finds that any of the required deliveries were not made 26 within the required period, the board shall be entitled

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to recover its reasonable attorneys' fees and costs
 incurred from and after the date of expiration of the
 10 day demand.

(5) With respect to any master association whose 4 5 declaration is recorded on or after August 10, 1990, any 6 contract, lease, or other agreement made prior to the 7 election of a majority of the board of directors other than 8 the developer by or on behalf of unit owners or underlying 9 condominium associations, the association or the board of 10 directors, which extends for a period of more than 2 years 11 from the recording of the declaration, shall be subject to 12 cancellation by more than 1/2 of the votes of the unit 13 owners, other than the developer, cast at a special meeting 14 of members called for that purpose during a period of 90 15 days prior to the expiration of the 2 year period if the 16 board of managers is elected by the unit owners, otherwise 17 by more than 1/2 of the underlying condominium board of managers. At least 60 days prior to the expiration of the 2 18 19 year period, the board of directors, or, if the board is still under developer control, then the board of managers 20 21 or the developer shall send notice to every unit owner or 22 underlying condominium board of managers, notifying them 23 of this provision, of what contracts, leases and other 24 agreements are affected, and of the procedure for calling a 25 meeting of the unit owners or for action by the underlying 26 condominium board of managers for the purpose of acting to SB3180 Engrossed - 46 - LRB096 20251 AJO 35836 b

terminate such contracts, leases or other agreements.
During the 90 day period the other party to the contract,
lease, or other agreement shall also have the right of
cancellation.

5 (6) The statute of limitations for any actions in law 6 or equity which the master association may bring shall not 7 begin to run until the unit owners or underlying 8 condominium board of managers have elected a majority of 9 the members of the board of directors.

10 (g) In the event of any resale of a unit in a master 11 association by a unit owner other than the developer, the owner 12 shall obtain from the board of directors and shall make 13 available for inspection to the prospective purchaser, upon 14 demand, the following:

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

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

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

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

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(5) A copy of the statement of financial condition of

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- 1 the association for the last fiscal year for which such a 2 statement is available.
- 3 (6) A statement of the status of any pending suits or
   4 judgments in which the association is a party.

5 (7) A statement setting forth what insurance coverage 6 is provided for all unit owners by the association.

- 7 (8) A statement that any improvements or alterations 8 made to the unit, or any part of the common areas assigned 9 thereto, by the prior unit owner are in good faith believed 10 to be in compliance with the declaration of the master 11 association.
- 12 The principal officer of the unit owner's association or 13 such other officer as is specifically designated shall furnish 14 the above information when requested to do so in writing, 15 within 30 days of receiving the request.

16 A reasonable fee covering the direct out-of-pocket cost of 17 copying and providing such information may be charged by the 18 association or its board of directors to the unit seller for 19 providing the information.

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(h) Errors and omissions.

(1) If there is an omission or error in the declaration or other instrument of the master association, the master association may correct the error or omission by an amendment to the declaration or other instrument, as may be required to conform it to this Act, to any other applicable statute, or to the declaration. The amendment shall be SB3180 Engrossed - 48 - LRB096 20251 AJO 35836 b

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

6 (2) If, through a scrivener's error, a unit has not 7 been designated as owning an appropriate undivided share of 8 the common areas or does not bear an appropriate share of 9 the common expenses, or if all of the common expenses or 10 all of the common elements in the condominium have not been 11 distributed in the declaration, so that the sum total of 12 the shares of common areas which have been distributed or 13 the sum total of the shares of the common expenses fail to 14 equal 100%, or if it appears that more than 100% of the 15 common elements or common expenses have been distributed, 16 the error may be corrected by operation of law by filing an 17 declaration, approved by vote of amendment to the two-thirds of the members of the board of directors or a 18 19 majority vote of the unit owners at a meeting called for 20 that purpose, which proportionately adjusts all percentage 21 interests so that the total is equal to 100%, unless the 22 specifically provides for different declaration а 23 procedure or different percentage vote by the owners of the 24 units and the owners of mortgages thereon affected by 25 modification being made in the undivided interest in the 26 common areas, the number of votes in the unit owners SB3180 Engrossed - 49 - LRB096 20251 AJO 35836 b

association or the liability for common expenses
 appertaining to the unit.

(3) If an omission or error or a scrivener's error in 3 the declaration or other instrument is corrected by vote of 4 5 two-thirds of the members of the board of directors pursuant to the authority established in subdivisions 6 7 (h)(1) or (h)(2) of this Section, the board, upon written 8 petition by unit owners with 20% of the votes of the 9 association or resolutions adopted by the board of managers 10 or board of directors of the condominium and common 11 interest community associations which select 20% of the 12 members of the board of directors of the master association, whichever is applicable, received within 30 13 14 days of the board action, shall call a meeting of the unit 15 owners or the boards of the condominium and common interest 16 community associations which select members of the board of 17 directors of the master association within 30 days of the filing of the petition or receipt of the condominium and 18 19 interest community association resolution common to 20 consider the board action. Unless a majority of the votes of the unit owners of the association are cast at the 21 22 meeting to reject the action, or board of managers or board 23 of directors of condominium and common interest community associations which select over 50% of the members of the 24 25 board of the master association adopt resolutions prior to 26 the meeting rejecting the action of the board of directors

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of the master association, it is ratified whether or not a
 quorum is present.

3 (4) The procedures for amendments set forth in this subsection (h) cannot be used if such an amendment would 4 5 materially or adversely affect property rights of the unit owners unless the affected unit owners consent in writing. 6 7 This Section does not restrict the powers of the 8 association to otherwise amend the declaration, bylaws, or 9 other condominium instruments, but authorizes a simple 10 process of amendment requiring a lesser vote for the 11 purpose of correcting defects, errors, or omissions when 12 the property rights of the unit owners are not materially or adversely affected. 13

14 (5) If there is an omission or error in the declaration 15 or other instruments that may not be corrected by an 16 amendment procedure set forth in subdivision (h)(1) or 17 (h) (2) of this Section, then the circuit court in the county in which the master association is located shall 18 19 have jurisdiction to hear a petition of one or more of the 20 unit owners thereon or of the association, to correct the 21 error or omission, and the action may be a class action. 22 court may require that one or more methods of The 23 correcting the error or omission be submitted to the unit 24 owners to determine the most acceptable correction. All 25 unit owners in the association must be joined as parties to 26 the action. Service of process on owners may be by SB3180 Engrossed - 51 - LRB096 20251 AJO 35836 b

1 publication, but the plaintiff shall furnish all unit 2 owners not personally served with process with copies of 3 the petition and final judgment of the court by certified 4 mail, return receipt requested, at their last known 5 address.

6 (6) Nothing contained in this Section shall be 7 construed to invalidate any provision of a declaration 8 authorizing the developer to amend an instrument prior to 9 the latest date on which the initial membership meeting of 10 the unit owners must be held, whether or not it has 11 actually been held, to bring the instrument into compliance 12 with the legal requirements of the Federal National Mortgage Association, the Federal Home 13 Loan Mortgage 14 Corporation, the Federal Housing Administration, the 15 United States Veterans Administration or their respective 16 successors and assigns.

17 (i) The provisions of subsections (c) through (h) are applicable to all declarations, other condominium instruments, 18 19 and other duly recorded covenants establishing the powers and duties of the master association recorded under this Act. Any 20 portion of a declaration, other condominium instrument, or 21 22 other duly recorded covenant establishing the powers and duties 23 of a master association which contains provisions contrary to 24 the provisions of subsection (c) through (h) shall be void as 25 against public policy and ineffective. Any declaration, other 26 condominium instrument, or other duly recorded covenant

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establishing the powers and duties of the master association which fails to contain the provisions required by subsections (c) through (h) shall be deemed to incorporate such provisions by operation of law.

5 (j) The provisions of subsections (c) through (h) are 6 applicable to all common interest community associations and 7 their unit owners for common interest community associations which are subject to the provisions of Section 9-102(a)(8) of 8 9 the Code of Civil Procedure. For purposes of this subsection, 10 the terms "common interest community" and "unit owners" shall 11 have the same meaning as set forth in Section 9-102(c) of the 12 Code of Civil Procedure.

13 (k) The provisions of this Section do not apply to a common 14 interest community association that is governed by the Common 15 Interest Community Association Act.

16 (Source: P.A. 94-384, eff. 1-1-06.)

Section 5-95. The Illinois Human Rights Act is amended by changing Section 6-102 as follows:

19 (775 ILCS 5/6-102)

Sec. 6-102. Violations of other Acts. A person who violates the Military Leave of Absence Act, the Public Employee Armed Services Rights Act, Section 11-117-12.2 of the Illinois Municipal Code, Section 224.05 of the Illinois Insurance Code, Section 8-201.5 of the Public Utilities Act, Section 9-107.10 SB3180 Engrossed - 53 - LRB096 20251 AJO 35836 b

of the Code of Civil Procedure, Section 4.05 of the Interest Act, the Military Personnel Cellular Phone Contract Termination Act, <u>the Service Member Residential Property Act</u>, or Section 37 of the Motor Vehicle Leasing Act commits a civil rights violation within the meaning of this Act.

6 (Source: P.A. 95-392, eff. 8-23-07.)