

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 Section 5. The Common Interest Community Association Act
5 is amended by adding Section 1-32 and by changing Section 1-35
6 as follows:

7 (765 ILCS 160/1-32 new)

8 Sec. 1-32. Reserve study.

9 (a) As used in this Section:

10 "Major shared components or significant infrastructure"
11 means structural, mechanical, electrical, and plumbing
12 components of the common areas and any other components that
13 are the responsibility of the association to maintain,
14 restore, repair, and replace, or infrastructure, including,
15 but not limited to, roads, street lighting, hardscape,
16 landscape, ponds and lakes, water features, pools, and
17 accessory buildings, if applicable, with a restoration or
18 replacement cost exceeding \$10,000, which are capital expenses
19 as identified in the federal tax code and generally accepted
20 accounting principles.

21 "Reserve study" means an analysis of the reserves required
22 for future major maintenance, repairs and replacements of the
23 common areas that:

1 (1) identifies each structural, mechanical,
2 electrical, and plumbing component of the common areas and
3 any other components that are the responsibility of the
4 association to maintain, repair, and replace;

5 (2) states the normal useful life and the estimated
6 remaining useful life of each identified component;

7 (3) states the estimated cost of maintenance, repair,
8 or replacement of each identified component; and

9 (4) states the estimated annual reserve amount
10 necessary to accomplish any identified future maintenance,
11 repair, or replacement.

12 (b) Any association with major shared components or
13 significant infrastructure shall cause a reserve study to be
14 conducted and updated in accordance with this Section.

15 (c) Any association with major shared components or
16 significant infrastructure that has had a reserve study
17 conducted on or after January 1, 2024, shall have an updated
18 reserve study conducted within 5 years after the date the
19 reserve study was conducted, and at least every 5 years
20 thereafter, for purposes of assessing the condition of and
21 planning for maintenance, repair, and replacement of the
22 common areas.

23 (d) Any association with major shared components or
24 significant infrastructure that has not had a reserve study
25 conducted on or after January 1, 2024, shall require that a
26 reserve study be conducted on or before January 1, 2028, and

1 shall update the study every 5 years for purposes of assessing
2 the condition of and planning for maintenance, repair and
3 replacement of the common areas.

4 (e) The reserve study and any update to the reserve study
5 shall be conducted by a qualified person, association,
6 organization, or business entity that is knowledgeable about
7 the major shared components or significant infrastructure that
8 will be the subject of the reserve study. A qualified person,
9 association, organization, or business entity is one that has
10 experience and knowledge about the normal useful life,
11 function, performance, condition, maintenance, repair, and
12 replacement of any one or more of the major shared components
13 or significant infrastructure that will be the subject of the
14 reserve study, as well as the related expenses. The reserve
15 study is not required to be conducted by a single person,
16 association, organization, or business entity. An association
17 may internally prepare a reserve study if the reserve study
18 compiles information from a qualified person, association,
19 organization, or business entity.

20 (f) In the event of resale of any unit in the common
21 interest community, a copy of the most recent reserve study,
22 if any, shall be made available to any prospective purchaser
23 upon request.

24 (g) Any association with 15 or fewer units is exempt from
25 the requirements of this Section; however, the board still
26 must comply with budgeting and reserve requirements set forth

1 in this Act or in the community instruments.

2 (765 ILCS 160/1-35)

3 Sec. 1-35. Member powers, duties, and obligations.

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

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

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

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

1 following:

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

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

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

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

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

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

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

21 (8) A copy of the most recent reserve study, if any.

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

26 A reasonable fee covering the direct out-of-pocket cost of

1 copying and providing such information may be charged by the
2 association or the board to the unit seller for providing the
3 information.

4 (Source: P.A. 97-605, eff. 8-26-11; 97-1090, eff. 8-24-12;
5 98-842, eff. 1-1-15.)

6 Section 10. The Condominium Property Act is amended by
7 changing Sections 18.5 and 22.1 and by adding Section 18.13 as
8 follows:

9 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

10 Sec. 18.5. Master Associations.

11 (a) If the declaration, other condominium instrument, or
12 other duly recorded covenants provide that any of the powers
13 of the unit owners associations are to be exercised by or may
14 be delegated to a nonprofit corporation or unincorporated
15 association that exercises those or other powers on behalf of
16 one or more condominiums, or for the benefit of the unit owners
17 of one or more condominiums, such corporation or association
18 shall be a master association.

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

23 In interpreting subsections (c) through (h), the courts
24 should interpret these provisions so that they are interpreted

1 consistently with the similar parallel provisions found in
2 other parts of this Act.

3 (c) Meetings and finances.

4 (1) Each unit owner of a condominium subject to the
5 authority of the board of the master association shall
6 receive, at least 30 days prior to the adoption thereof by
7 the board of the master association, a copy of the
8 proposed annual budget.

9 (2) The board of the master association shall annually
10 supply to all unit owners of condominiums subject to the
11 authority of the board of the master association an
12 itemized accounting of the common expenses for the
13 preceding year actually incurred or paid, together with a
14 tabulation of the amounts collected pursuant to the budget
15 or assessment, and showing the net excess or deficit of
16 income over expenditures plus reserves.

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

24 (4) Meetings of the board of the master association
25 shall be open to any unit owner in a condominium subject to
26 the authority of the board of the master association,

1 except for the portion of any meeting held:

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

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

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

12 Any vote on these matters shall be taken at a meeting or
13 portion thereof open to any unit owner of a condominium
14 subject to the authority of the master association.

15 Any unit owner may record the proceedings at meetings
16 required to be open by this Act by tape, film or other
17 means; the board may prescribe reasonable rules and
18 regulations to govern the right to make such recordings.
19 Notice of meetings shall be mailed or delivered at least
20 48 hours prior thereto, unless a written waiver of such
21 notice is signed by the persons entitled to notice before
22 the meeting is convened. Copies of notices of meetings of
23 the board of the master association shall be posted in
24 entranceways, elevators, or other conspicuous places in
25 the condominium at least 48 hours prior to the meeting of
26 the board of the master association. Where there is no

1 common entranceway for 7 or more units, the board of the
2 master association may designate one or more locations in
3 the proximity of these units where the notices of meetings
4 shall be posted.

5 (5) If the declaration provides for election by unit
6 owners of members of the board of directors in the event of
7 a resale of a unit in the master association, the
8 purchaser of a unit from a seller other than the developer
9 pursuant to an installment sales contract for purchase
10 shall, during such times as he or she resides in the unit,
11 be counted toward a quorum for purposes of election of
12 members of the board of directors at any meeting of the
13 unit owners called for purposes of electing members of the
14 board, and shall have the right to vote for the election of
15 members of the board of directors and to be elected to and
16 serve on the board of directors unless the seller
17 expressly retains in writing any or all of those rights.
18 In no event may the seller and purchaser both be counted
19 toward a quorum, be permitted to vote for a particular
20 office, or be elected and serve on the board. Satisfactory
21 evidence of the installment sales contract shall be made
22 available to the association or its agents. For purposes
23 of this subsection, "installment sales contract" shall
24 have the same meaning as set forth in Section 5 of the
25 Installment Sales Contract Act and subsection (e) of
26 Section 1 of the Dwelling Unit Installment Contract Act.

1 (6) The board of the master association shall have the
2 authority to establish and maintain a system of master
3 metering of public utility services and to collect
4 payments in connection therewith, subject to the
5 requirements of the Tenant Utility Payment Disclosure Act.

6 (7) The board of the master association or a common
7 interest community association shall have the power, after
8 notice and an opportunity to be heard, to levy and collect
9 reasonable fines from members for violations of the
10 declaration, bylaws, and rules and regulations of the
11 master association or the common interest community
12 association. Nothing contained in this subdivision (7)
13 shall give rise to a statutory lien for unpaid fines.

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

26 (d) Records.

1 (1) The board of the master association shall maintain
2 the following records of the association and make them
3 available for examination and copying at convenient hours
4 of weekdays by any unit owners in a condominium subject to
5 the authority of the board or their mortgagees and their
6 duly authorized agents or attorneys:

7 (i) Copies of the recorded declaration, other
8 condominium instruments, other duly recorded covenants
9 and bylaws and any amendments, articles of
10 incorporation of the master association, annual
11 reports and any rules and regulations adopted by the
12 master association or its board shall be available.
13 Prior to the organization of the master association,
14 the developer shall maintain and make available the
15 records set forth in this subdivision (d)(1) for
16 examination and copying.

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

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

1 (iv) Ballots and proxies related thereto, if any,
2 for any election held for the board of the master
3 association and for any other matters voted on by the
4 unit owners shall be maintained for not less than one
5 year.

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

11 (vi) With respect to units owned by a land trust,
12 if a trustee designates in writing a person to cast
13 votes on behalf of the unit owner, the designation
14 shall remain in effect until a subsequent document is
15 filed with the association.

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

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

23 (4) If the board of directors fails to provide records
24 properly requested under subdivision (d)(1) within the
25 time period provided in subdivision (d)(2), the unit owner
26 may seek appropriate relief, including an award of

1 attorney's fees and costs.

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

7 (f) Administration of property prior to election of the
8 initial board of directors.

9 (1) Until the election, by the unit owners or the
10 boards of managers of the underlying condominium
11 associations, of the initial board of directors of a
12 master association whose declaration is recorded on or
13 after August 10, 1990, the same rights, titles, powers,
14 privileges, trusts, duties and obligations that are vested
15 in or imposed upon the board of directors by this Act or in
16 the declaration or other duly recorded covenant shall be
17 held and performed by the developer.

18 (2) The election of the initial board of directors of
19 a master association whose declaration is recorded on or
20 after August 10, 1990, by the unit owners or the boards of
21 managers of the underlying condominium associations, shall
22 be held not later than 60 days after the conveyance by the
23 developer of 75% of the units, or 3 years after the
24 recording of the declaration, whichever is earlier. The
25 developer shall give at least 21 days notice of the
26 meeting to elect the initial board of directors and shall

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

8 (3) If the initial board of directors of a master
9 association whose declaration is recorded on or after
10 August 10, 1990 is not elected by the unit owners or the
11 members of the underlying condominium association board of
12 managers at the time established in subdivision (f)(2),
13 the developer shall continue in office for a period of 30
14 days, whereupon written notice of his resignation shall be
15 sent to all of the unit owners or members of the underlying
16 condominium board of managers entitled to vote at an
17 election for members of the board of directors.

18 (4) Within 60 days following the election of a
19 majority of the board of directors, other than the
20 developer, by unit owners, the developer shall deliver to
21 the board of directors:

22 (i) All original documents as recorded or filed
23 pertaining to the property, its administration, and
24 the association, such as the declaration, articles of
25 incorporation, other instruments, annual reports,
26 minutes, rules and regulations, and contracts, leases,

1 or other agreements entered into by the association.
2 If any original documents are unavailable, a copy may
3 be provided if certified by affidavit of the
4 developer, or an officer or agent of the developer, as
5 being a complete copy of the actual document recorded
6 or filed.

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

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

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

22 (v) A list of all litigation, administrative
23 action and arbitrations involving the association, any
24 notices of governmental bodies involving actions taken
25 or which may be taken concerning the association,
26 engineering and architectural drawings and

1 specifications as approved by any governmental
2 authority, all other documents filed with any other
3 governmental authority, all governmental certificates,
4 correspondence involving enforcement of any
5 association requirements, copies of any documents
6 relating to disputes involving unit owners, and
7 originals of all documents relating to everything
8 listed in this subparagraph.

9 (vi) If the developer fails to fully comply with
10 this paragraph (4) within the 60 days provided and
11 fails to fully comply within 10 days of written demand
12 mailed by registered or certified mail to his or her
13 last known address, the board may bring an action to
14 compel compliance with this paragraph (4). If the
15 court finds that any of the required deliveries were
16 not made within the required period, the board shall
17 be entitled to recover its reasonable attorneys' fees
18 and costs incurred from and after the date of
19 expiration of the 10 day demand.

20 (5) With respect to any master association whose
21 declaration is recorded on or after August 10, 1990, any
22 contract, lease, or other agreement made prior to the
23 election of a majority of the board of directors other
24 than the developer by or on behalf of unit owners or
25 underlying condominium associations, the association or
26 the board of directors, which extends for a period of more

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

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

26 (g) In the event of any resale of a unit in a master

1 association by a unit owner other than the developer, the
2 owner shall obtain from the board of directors and shall make
3 available for inspection to the prospective purchaser, upon
4 demand, the following:

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

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

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

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

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

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

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

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

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

3 (9) A copy of the most recent reserve study, if any.

4 The principal officer of the unit owner's association or
5 such other officer as is specifically designated shall furnish
6 the above information when requested to do so in writing,
7 within 30 days of receiving the request.

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

12 (g-1) The purchaser of a unit of a common interest
13 community at a judicial foreclosure sale, other than a
14 mortgagee, who takes possession of a unit of a common interest
15 community pursuant to a court order or a purchaser who
16 acquires title from a mortgagee shall have the duty to pay the
17 proportionate share, if any, of the common expenses for the
18 unit that would have become due in the absence of any
19 assessment acceleration during the 6 months immediately
20 preceding institution of an action to enforce the collection
21 of assessments and the court costs incurred by the association
22 in an action to enforce the collection that remain unpaid by
23 the owner during whose possession the assessments accrued. If
24 the outstanding assessments and the court costs incurred by
25 the association in an action to enforce the collection are
26 paid at any time during any action to enforce the collection of

1 assessments, the purchaser shall have no obligation to pay any
2 assessments that accrued before he or she acquired title. The
3 notice of sale of a unit of a common interest community under
4 subsection (c) of Section 15-1507 of the Code of Civil
5 Procedure shall state that the purchaser of the unit other
6 than a mortgagee shall pay the assessments and court costs
7 required by this subsection (g-1).

8 (h) Errors and omissions.

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

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

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

18 (3) If an omission or error or a scrivener's error in
19 the declaration or other instrument is corrected by vote
20 of two-thirds of the members of the board of directors
21 pursuant to the authority established in subdivisions
22 (h)(1) or (h)(2) of this Section, the board, upon written
23 petition by unit owners with 20% of the votes of the
24 association or resolutions adopted by the board of
25 managers or board of directors of the condominium and
26 common interest community associations which select 20% of

1 the members of the board of directors of the master
2 association, whichever is applicable, received within 30
3 days of the board action, shall call a meeting of the unit
4 owners or the boards of the condominium and common
5 interest community associations which select members of
6 the board of directors of the master association within 30
7 days of the filing of the petition or receipt of the
8 condominium and common interest community association
9 resolution to consider the board action. Unless a majority
10 of the votes of the unit owners of the association are cast
11 at the meeting to reject the action, or board of managers
12 or board of directors of condominium and common interest
13 community associations which select over 50% of the
14 members of the board of the master association adopt
15 resolutions prior to the meeting rejecting the action of
16 the board of directors of the master association, it is
17 ratified whether or not a quorum is present.

18 (4) The procedures for amendments set forth in this
19 subsection (h) cannot be used if such an amendment would
20 materially or adversely affect property rights of the unit
21 owners unless the affected unit owners consent in writing.
22 This Section does not restrict the powers of the
23 association to otherwise amend the declaration, bylaws, or
24 other condominium instruments, but authorizes a simple
25 process of amendment requiring a lesser vote for the
26 purpose of correcting defects, errors, or omissions when

1 the property rights of the unit owners are not materially
2 or adversely affected.

3 (5) If there is an omission or error in the
4 declaration or other instruments that may not be corrected
5 by an amendment procedure set forth in subdivision (h)(1)
6 or (h)(2) of this Section, then the circuit court in the
7 county in which the master association is located shall
8 have jurisdiction to hear a petition of one or more of the
9 unit owners thereon or of the association, to correct the
10 error or omission, and the action may be a class action.
11 The court may require that one or more methods of
12 correcting the error or omission be submitted to the unit
13 owners to determine the most acceptable correction. All
14 unit owners in the association must be joined as parties
15 to the action. Service of process on owners may be by
16 publication, but the plaintiff shall furnish all unit
17 owners not personally served with process with copies of
18 the petition and final judgment of the court by certified
19 mail, return receipt requested, at their last known
20 address.

21 (6) Nothing contained in this Section shall be
22 construed to invalidate any provision of a declaration
23 authorizing the developer to amend an instrument prior to
24 the latest date on which the initial membership meeting of
25 the unit owners must be held, whether or not it has
26 actually been held, to bring the instrument into

1 compliance with the legal requirements of the Federal
2 National Mortgage Association, the Federal Home Loan
3 Mortgage Corporation, the Federal Housing Administration,
4 the United States Veterans Administration or their
5 respective successors and assigns.

6 (i) The provisions of subsections (c) through (h) are
7 applicable to all declarations, other condominium instruments,
8 and other duly recorded covenants establishing the powers and
9 duties of the master association recorded under this Act. Any
10 portion of a declaration, other condominium instrument, or
11 other duly recorded covenant establishing the powers and
12 duties of a master association which contains provisions
13 contrary to the provisions of subsection (c) through (h) shall
14 be void as against public policy and ineffective. Any
15 declaration, other condominium instrument, or other duly
16 recorded covenant establishing the powers and duties of the
17 master association which fails to contain the provisions
18 required by subsections (c) through (h) shall be deemed to
19 incorporate such provisions by operation of law.

20 (j) (Blank).

21 (k) Reserve study.

22 (1) As used in this Section:

23 "Major shared components or significant
24 infrastructure" means structural, mechanical, electrical,
25 and plumbing components of the common areas and any other
26 components that are the responsibility of the association

1 to maintain, restore, repair, and replace, or
2 infrastructure including, but not limited to, roads,
3 street lighting, hardscape, landscape, ponds and lakes,
4 water features, pools, and accessory buildings, if
5 applicable, with a restoration or replacement cost
6 exceeding \$10,000, which are capital expenses as
7 identified in the federal tax code and generally accepted
8 accounting principles.

9 "Reserve study" means an analysis of the reserves
10 required for future major maintenance, repairs and
11 replacements of the common elements that:

12 (2) Any association with major shared components or
13 significant infrastructure shall cause a reserve study to
14 be conducted and updated in accordance with this Section.

15 (3) Any association with major shared components or
16 significant infrastructure that has had a reserve study
17 conducted on or after January 1, 2024, shall have an
18 updated reserve study conducted within 5 years after the
19 date the reserve study was conducted, and at least every 5
20 years thereafter, for purposes of assessing the condition
21 of and planning for maintenance, repair, and replacement
22 of the common areas.

23 (4) Any association with major shared components or
24 significant infrastructure that has not had a reserve
25 study conducted on or after January 1, 2024, shall require
26 that a reserve study be conducted on or before January 1,

1 2028, and shall update the study every 5 years for
2 purposes of assessing the condition of and planning for
3 maintenance, repair and replacement of the common areas.

4 (5) The reserve study and any update thereof shall be
5 conducted by a qualified person, association,
6 organization, or business entity who is knowledgeable
7 about the major shared components or significant
8 infrastructure that will be the subject of the reserve
9 study. A qualified person, association, organization, or
10 business entity is one who has experience and knowledge
11 about the normal useful life, function, performance,
12 condition, maintenance, repair, and replacement, and
13 related expenses, of any one or more of the major shared
14 components or significant infrastructure that will be the
15 subject of the reserve study. The reserve study is not
16 required to be conducted by a single person, association,
17 organization, or business entity. An association may
18 internally prepare a reserve study provided that such a
19 reserve study compiles information from a qualified
20 person, association, organization, or business entity.

21 (6) In the event of resale of any unit in the common
22 interest community, a copy of the most recent reserve
23 study, if any, shall be made available to any prospective
24 purchaser, upon request.

25 (7) Any association with 15 or fewer units is exempt
26 from the requirements of this subsection (j); however, the

1 board still must comply with budgeting and reserve
2 requirements as provided elsewhere in the Act or in the
3 community instruments.

4 (Source: P.A. 100-416, eff. 1-1-18.)

5 (765 ILCS 605/18.13 new)

6 Sec. 18.13. Reserve study.

7 (a) As used in this Section:

8 "Major shared components or significant infrastructure"
9 means structural, mechanical, electrical, and plumbing
10 components of the common elements and any other components
11 that are the responsibility of the association to maintain,
12 restore, repair, and replace, or infrastructure, including,
13 but not limited to, roads, street lighting, hardscape,
14 landscape, ponds and lakes, water features, pools, and
15 accessory buildings, if applicable, with a restoration or
16 replacement cost exceeding \$10,000, which are capital expenses
17 as identified in the federal tax code and generally accepted
18 accounting principles.

19 "Reserve study" means an analysis of the reserves required
20 for future major maintenance, repairs, and replacements of the
21 common elements that:

22 (1) identifies each structural, mechanical,
23 electrical, and plumbing component of the common elements
24 and any other components that are the responsibility of
25 the association to maintain, repair, and replace;

1 (2) states the normal useful life and the estimated
2 remaining useful life of each identified component;

3 (3) states the estimated cost of maintenance, repair,
4 or replacement of each identified component; and

5 (4) states the estimated annual reserve amount
6 necessary to accomplish any identified future maintenance,
7 repair, or replacement.

8 (b) Any association with major shared components or
9 significant infrastructure shall cause a reserve study to be
10 conducted and updated in accordance with this Section.

11 (c) Any association with major shared components or
12 significant infrastructure that has had a reserve study
13 conducted on or after January 1, 2024, shall have an updated
14 reserve study conducted within 5 years after the date the
15 reserve study was conducted, and at least every 5 years
16 thereafter, for purposes of assessing the condition of and
17 planning for maintenance, repair, and replacement of the
18 common elements.

19 (d) Any association with major shared components or
20 significant infrastructure that has not had a reserve study
21 conducted on or after January 1, 2024, shall require that a
22 reserve study be conducted on or before January 1, 2028, and
23 shall update the study every 5 years for purposes of assessing
24 the condition of and planning for maintenance, repair, and
25 replacement of the common elements.

26 (e) The reserve study and any update to the reserve study

1 shall be conducted by a qualified person, association,
2 organization, or business entity that is knowledgeable about
3 the major shared components or significant infrastructure that
4 will be the subject of the reserve study. A qualified person,
5 association, organization, or business entity is one that has
6 experience and knowledge about the normal useful life,
7 function, performance, condition, maintenance, repair, and
8 replacement of any one or more of the major shared components
9 or significant infrastructure that will be the subject of the
10 reserve study, as well as the related expenses. The reserve
11 study is not required to be conducted by a single person,
12 association, organization, or business entity. An association
13 may internally prepare a reserve study provided that such a
14 reserve study compiles information from a qualified person,
15 association, organization, or business entity.

16 (f) In the event of resale of any unit in the association,
17 a copy of the most recent reserve study, if any, shall be made
18 available to any prospective purchaser, upon request.

19 (g) Any association with 15 or fewer units is exempt from
20 the requirements of this Section; however, the board must
21 still comply with budgeting and reserve requirements as
22 provided elsewhere in the Act or in the community instruments.

23 (765 ILCS 605/22.1) (from Ch. 30, par. 322.1)

24 Sec. 22.1. (a) In the event of any resale of a condominium
25 unit by a unit owner other than the developer such owner shall

1 obtain from the Board of Managers and shall make available for
2 inspection to the prospective purchaser, upon demand, the
3 following:

4 (1) A copy of the Declaration, by-laws, other
5 condominium instruments, and any rules and regulations.

6 (2) A statement of any liens, including a statement of
7 the account of the unit setting forth the amounts of
8 unpaid assessments and other charges due and owing as
9 authorized and limited by the provisions of Section 9 of
10 this Act or the condominium instruments.

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

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

18 (5) A copy of the statement of financial condition of
19 the unit owner's association for the last fiscal year for
20 which such statement is available.

21 (6) A statement of the status of any pending suits or
22 judgments in which the unit owner's association is a
23 party.

24 (7) A statement setting forth what insurance coverage
25 is provided for all unit owners by the unit owner's
26 association.

1 (8) A statement that any improvements or alterations
2 made to the unit, or the limited common elements assigned
3 thereto, by the prior unit owner are in good faith
4 believed to be in compliance with the condominium
5 instruments.

6 (9) The identity and mailing address of the principal
7 officer of the unit owner's association or of the other
8 officer or agent as is specifically designated to receive
9 notices.

10 (10) A copy of the most recent reserve study, if any.

11 (b) The principal officer of the unit owner's association
12 or such other officer as is specifically designated shall
13 furnish the above information when requested to do so in
14 writing and within 10 business days of the request.

15 (c) Within 15 days of the recording of a mortgage or trust
16 deed against a unit ownership given by the owner of that unit
17 to secure a debt, the owner shall inform the Board of Managers
18 of the unit owner's association of the identity of the lender
19 together with a mailing address at which the lender can
20 receive notices from the association. If a unit owner fails or
21 refuses to inform the Board as required under subsection (c)
22 then that unit owner shall be liable to the association for all
23 costs, expenses, and reasonable attorney's fees and such other
24 damages, if any, incurred by the association as a result of
25 such failure or refusal.

26 A reasonable fee, not to exceed \$375, covering the direct

1 out-of-pocket cost of providing such information and copying
2 may be charged by the association or its Board of Managers to
3 the unit seller for providing such information. Beginning one
4 year after the effective date of this amendatory Act of the
5 102nd General Assembly, the \$375 fee shall be increased or
6 decreased, as applicable, by a percentage equal to the
7 percentage change in the consumer price index-u during the
8 preceding 12-month calendar year. "Consumer price index-u"
9 means the index published by the Bureau of Labor Statistics of
10 the United States Department of Labor that measures the
11 average change in prices of goods and services purchased by
12 all urban consumers, United States city average, all items,
13 1982-84 = 100. An association may charge an additional \$100
14 for rush service completed within 72 hours.
15 (Source: P.A. 102-976, eff. 1-1-23.)