Association of Condominium,

Townhouse, and

Homeowners Associations

ÂCTHANEWS

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DECEMBER 2016 / JANUARY 2017

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HAPPY HOLIDAYS!

New Year, New Laws

By: David Hartwell, Esq. Penland & Hartwell, LLC Chicago, IL



Below is a summary of legislation that becomes effective January 1, 2017, and impacts community associations in Illinois:

The Condominium and Common Interest Community Ombudsperson Act (765 ILCS 615/1) – The Ombudsperson Act has been amended again, requiring the Department of Professional Regulation to post a new website to provide owners with information resources. The amendment has extended the deadline for an association to adopt a written policy for resolving unit owner complaints to January 2019. Effective July 1, 2020, owners may make written requests to the Ombudsperson for assistance. At this time, no Ombudsperson has been appointed.

Changes to Open Meetings (765 ILCS 605/18(a)(8) and 765 ILCS 160/1-40(b)(5) – In response to the *Palm v. 2800 Lake Shore Drive* ruling addressing meetings of board members, effective January 1, 2017, board members may now meet in closed session (sometimes referred to as "Executive Session") to discuss: (1) pending, probable or imminent litigation; (2) third party contracts or information regarding the appointment, employment, engagement, or dismissal of an employee, independent contractor, agent, or other provider of services; (3) interview a potential employee, independent contractor, agent, or other provider of services; (4) violations of rules and regulations; (5) unit owner's unpaid share of common expenses; and (6) consult with legal counsel on any matter. Any action taken by the board in a closed meeting must be ratified by a majority of the board at a properly noticed meeting.



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Past issues available at: actha.org/newsletters

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 \mathbf{Q} & A: Can a Board Arbitrarily change the budget after providing it to owners? - James Erwin, Attorney

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Dedication of Private Streets: Reality or Impossible Dream? - Jim Slowikowski, Attorney Legislative Update

 \mathbf{Q} & A: What steps should be taken if assessments are not paid on time? - Charles VanderVennet, Attorney

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Yes, Associations Do File Taxes—Steve Silberman, CPA Legislative Update Q & A: Does "fee simple" mean the owner owns the property curb-to-curb? - Howard Dakoff, Attorney

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Use and Occupancy Restrictions: How Far Can Boards Go? - Joseph Scharnak, Attorney Q & A: How do associations enforce rules and regulations with a bank-owned unit? - Kris Kasten, Attorney

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Façade Ordinance: Meeting and Exceeding Expectations—Klein & Hoffman Tip of the Month: Asphalt and Roofing—Alan Seilhammer, HOA Lending Xchange

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The Ombudsperson: Any Closer to Reality? - Doug Sury, Attorney Vacation Rentals: What to Know—David Hartwell, Attorney So Whose Castle is it Anyway? Video Surveillance with the Association- Stephen Daday, Attorney 2016 Legislative Update

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Palm is a Four-Letter Word—Martin Stone, Manager Q & A: What's a Board to do About Abandoned Vehicles? - Michael DeSantis, Attorney Update to Palm Regarding Private Communications - Nick Bartzen, Howard Dakoff, Pat O'Connor, Attorneys

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2016 Legislative Roundup—Michael Kim, Attorney A Guide to Smoke Free Housing—Kristina Hamilton, American Lung Association

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Best Practices for Electronic Voting—Kat Formeller, Attorney Regulating Political Signs within Your Association—Ben Rooney, Attorney

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Q & A: How does an Association Amend its Budget? - David Hartwell, Attorney

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Pledge of Assessments for Condominiums (765 ILCS 605/18.4(m)) – Effective January 1, 2017, this amendment deletes the first clause of Section 18.4(m) which states "Unless the condominium instruments expressly provide to the contrary...", thus giving all boards of directors the authority to pledge and assign the right of future income from common expenses and to mortgage or pledge substantially all assets of the association. This will help associations obtain financing for special assessments and capital improvement projects.

More Technological Means for Common Interest Communities (765 ILCS 160/1-5) – Effective January 1, 2017, the Common Interest Community Association Act expanded the definition of "Acceptable Technological Means" to include "without limitation, electronic transmission over the Internet or other network whether by direct communication, intranet, telecopier, electronic mail, and any generally available technology that, by rule of the association, is deemed to provide reasonable security, reliability, identification, and verifiability."

Assignment by Successor Developer (7765 ILCS 605/9.5 and 65 ILCS 160/1-47) – Effective January 1, 2017, the ICPA and CICAA will be amended to add: "Successor Developers. Any assignment of a developer's interest in the property is not effective until the successor: (i) obtains the assignment in writing; and (ii) records the assignment."

CICAA adds Conformity Clause (765 160/1-60) – Effective January 1, 2017, CICAA is amended to now provide that for any provision of the governing instruments which do not conform with the Act or other applicable law, the association may correct such inconsistency by an amendment, adopted by two-thirds (2/3) of the board of directors, without a membership vote.

Not for Profit Act Requires Three Directors (805

ILCS 105/101.01) - Effective January 1, 2017, the Secretary of State may dissolve any corporation administratively if it fails to maintain at least three directors.

Gear Up for Jan/Feb Educational Programs

Join us for upcoming ACTHA education! To confirm dates, locations and to register, visit www.actha.org.

<u>Seminars</u>

How to be a Compliant Board Member

Learn about the fiduciary responsibilities of board members and how to adopt a board mentality to attain success for your association.

How to Deal with Non-Compliant Board Members

What happens when a board member fails or refuses to act in the best interests of the association? Gain insight on how a board can properly and effectively handle rogue board members.

<u>Webinar</u>

Aging in Place: How Associations Can Address Aging Residents Within Their Communities

Learn about typical issues and practical considerations that arise with aging residents, along with legal requirements and fair housing implications. Resources for the resident and association will also be provided.

Learn & Lead

ACTHA's signature educational offering for those living in community associations is back and will take place in Chicago! Taught by leading experts in the field, this six-part program highlights the fundamentals that all board members/owners should know:

| * Governance | *Meetings/Elections |
|-----------------|-----------------------|
| *Administration | *Physical Aspects |
| *Finance | *Insurance/Risk Mgmt. |

Those who attend each session and pass a 20-question test on each topic will receive a certificate of completion.

Visit www.actha.org for dates, locations and to register for educational programs.

In Memoriam

Sheli Lulkin, a long-time resident on the north side of Chicago, passed away December 18 after a long battle with illness. Sheli was President of the Association of Sheridan Condominium/Co-op Owners (ASCO) and former Executive Director of the Edgewater Chamber of Commerce. She also previously served on the ACTHA Board of Directors and was a fierce supporter and advocate for community associations.

Keeping Safe During the Holiday Season

By: Joshua Mailey Signal 88 Security Arlington Heights, IL

The Holiday Season is upon us! Thoughts of spending time with family and friends, the smells of the season filling the air and the overwhelming sense of joy that returns to our hearts as we remember our childhood holiday experiences. Our schedules begin to get packed with list making and shopping, on top of our regular daily responsibilities, and we start to forget about simple things to keep the holiday season safe.

The 2014 Bureau of Justice Statistics study, "Seasonal Patterns in Criminal Victimization Trends" reports that overall crime has been reduced between 1993-2010, but indicates some crimes show no significant fluctuation from traditionally higher crime summer months. The study identifies robbery as occurring frequently in winter as in summer, and identified crimes against persons and motor vehicle thefts seeing an insignificant reduction in winter as it does in summer, while personal assaults occur more frequently in the fall months.

Conversely, the United States Fire Administration reports that cooking, heating and electrical fires were some of the top causes of structural fires during the winter, especially during the holidays. The American Red Cross reports that nearly 47,000 fires occur during the winter months, claiming over 500 lives per year! Structural fires leave families devastated, and in multi-family structures, a single fire event can lead to direct damage and smoke damage to the extent of leaving all the units in a building to be evacuated for extended periods of time.

When considering the safety of ourselves, property, and our homes, there are some simple things we can do to keep ourselves and loved ones safe.



Making yourself less of a target

- When leaving home, keep strategic lights on to make the appearance that someone is home.
- Keep package deliveries indoors or dropped off in places out of public view.
- Don't keep a lot of packages in cars in busy parking lots.
- Ask trustworthy neighbors to watch out for your house and do the same for them.
- Keep doors and windows locked. Leave TV or radio on.
- Never leave house keys, purses, or valuable items in cars. Leave garage door transponders locked up and out of view.
- Keep all firearms secure on your person or in a heavy duty safe (if you have a license to do so legally). Always follow local and state laws regarding firearm use and carry.
- Keep an eye out for strange cars and persons in the area. If you believe someone entered your house, DO NOT GO INSIDE! Go somewhere safe and call 911.

Winter Season Home Safety

- Power outages can occur during nasty winter storms.
- Keep flashlights and extra batteries available.
- Only use space heaters that are appropriate for indoor use.
- Keep your cell phones fully charged and have portable charging devices for them.
- Electrical fires caused by circuit overloads and space heaters kill during the winter months. Keep a fire extinguisher available on every level of your home and have an evacuation plan.
- Change batteries for smoke and carbon monoxide detectors every year.
- Never leave open flames or burning candles unattended.

If you have a security system or security service, notify them that you will be out of town and inquire about premise checks if available. Update your contact information so you can be notified in case of an emergency. Being situationally aware of your surrounding is critical to staying safe and preventing accidents from happening. Shopping during the Holiday Season keeps us out of the house more and into areas that are crowded with fellow shoppers. Keep these tips in mind when travelling about.



Mark Your Calendar for 2017 Conferences

ACTHA is redefining the relationship between association and commercial members! Join us in three great locations to:

Exchange ideas with association board members Find solutions to the biggest issues impacting community associations Meet representatives from legal, financial services, construction firms & more



Spring Conference Saturday, April 8 Drury Lane Oakbrook Terrace Registration opens in Feb.!



City Conference Saturday, September 9 Conference Chicago at University Center Chicago



Fall Conference Saturday, October 14 NIU Naperville Conference Center Naperville

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