

Association of Condominium,  
Townhouse, and  
Homeowners Associations



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## October 2007

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### Upcoming ACTHA Events

Conference & Mini-Trade Show, Sat.,  
Oct. 27, Navy Pier, 8—1 p.m.  
Conference & Mini-Trade Show, Sat.,  
Nov. 3, Joliet Holiday Inn, 8—1 p.m.  
Conference & Mini-Trade Show, Sat. 10,  
Courtyards at Marriott in Schaumburg,  
8—1 p.m.

**For program details visit  
ACTHA’s web site: [www.actha.org](http://www.actha.org)  
or see page 5 of newsletter**

### “Maintenance Free Living”

*By: Karen Lea Corral, Assistant Vice President, The Homeowner Association Banking Group, Harris N.A.*

Maintenance free living, this is generally one of the primary reasons someone would move into a homeowner association. If you are like most people who seek out an association because you do not want to be responsible for the maintenance and upkeep, “you don’t want to clean gutters and fix the roof”, well you are not alone! As a resident of an association, you ensure your assessments are paid on time and your job is done...right? The answer is both yes and no. The association is responsible for the maintenance and upkeep of the common areas; so the idea that you, as a resident, will not be up on the roof checking for a leak is basically a true statement.

However, have you ever stopped to wonder who exactly the “association” is? Well the association is made up of all the residents who own a condominium unit, townhome, or single family home in an association. The “association” is you! Yes, you heard me correctly, you are your association. As both someone who has lived in a large condominium association and an industry professional, I have experienced many sides of homeowner associations. When I was a new resident of the association I lived in, my impression was the same as yours. It took living in my association for a few years to really understand the obstacles the board and its residents face when it comes to the maintenance, repair and replacement projects for the common elements. This experience fueled my desire to become an advocate and a financial advisor for homeowner associations.

*Continued on page 7*



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## TIP OF THE MONTH

*Are you wanting to find something quickly in the Illinois Condominium Property Act? Here's a tip:*

*You can download a copy of the most recent Act from ACTHA's web site: [www.actha.org/Membership](http://www.actha.org/Membership)*

*When looking up a subject area, click on "Edit" at the top of the page. Scroll to "Find on this page" and a box will pop up where you may enter the topic you are looking for. It will immediately go to the first page of the Act where this word appears and take you to subsequent pages if applicable.*

*NOTE: Always "refresh" by typing in the name of the web site you are visiting. By not doing so, you will be taken to the last time you called that site up and possibly miss newly posted information.*

Tip provided by George Panagakis of 2333 N. Geneva Terrace C.A. and ACTHA Board Member

### "LEARN & LEAD": Frequently Asked Questions

**What happens if I am unable to take the sessions in the order recommended?** *While individuals are encouraged to take the modules in the order given, certification completion is not dependent on it. Modules may be taken in any order.*

**I am a property manager and am wondering if there is any value to my taking this course?** *While the program is specifically designed for those living in a community association, ACTHA believes their programs will be of value to those providing services to boards of directors as well.*

**Who is eligible for the discount?** *Once your association is a member of ACTHA, anyone residing in the association is eligible for the discount rate for this course and all other ACTHA programs. Individuals may also join ACTHA (\$75). Members paying for all six modules prior to the start of their first module may receive a discounted rate of \$100 versus \$150 or \$25 for each module. The rate for non-members is \$300 for all six modules.*

**I can't take all six modules on the consecutive Saturdays scheduled in fall 2007. Are there plans to offer the course again?** *Yes. This certification course will be offered on a regular basis and individuals may take any of the modules at any time as long as the course is completed within a two year period from the date the first module is taken.*

**I am not interested in becoming certified. Can I take individual modules anyway?** *Absolutely. ACTHA's mission is to provide education and information to those living in community associations. Each module is designed as a stand-alone program; together they provide the basis for an in-depth program of fundamentals that anyone living in a community association should know and understand.*

**I don't know if I am interested in becoming certified. Can I start the program and then decide later?** *To hold administrative costs down, individuals will need to decide prior to their taking the second module whether or not they want to proceed with the certification process. If so, the first module's cost would be payable at the same time the second module is taken.*

#### Board of Directors

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**What type of notice must be given to owners for board meetings? Can an owner not in "good standing" vote? How can owners call special meetings?**

The answers to these questions and others related to meetings including committee meetings, open meetings, elections, proxies and much more will be covered at "Meetings of An Association" on Sat., November 3 at the Holiday Inn in Joliet. (see page 5 for registration details) This session is part of ACTHA's "Learn & Lead" Certification program but may also be taken for non-certification purposes.

Associations with ponds know how lovely they are, but proper maintenance is something many boards are unaware of until it is too late.

There will be annual muck and silt build-up, underground pipes and wires which must be checked, embankment erosion and of course, those pesky geese!

**Learn about pond management / landscaping, animal control, and winter / spring tips** at ACTHA's seminar on Sat., Nov. 10 at the Courtyards at Marriott in Schaumburg. (See page 5 for details and registration information.)

**Lori A. Pastore, AIS**  
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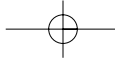
**LEGISLATIVE CORNER**

In response to Public Act 95-129, which creates an Advisory Council to review the Illinois Condominium Property Act, ACTHA has established an ad hoc committee to do the same with the purpose of providing input to this body. At press time, only State Rep. Harry Osterman, the bill's sponsor, had been appointed to the Council.

ACTHA's ad hoc group is being chaired by **Mike Kim**. He is joined by attorney colleagues **Steve Bloomberg** of Tressler Soderstrom Maloney & Priess and **David Hartwell** of Penland and Hartwell. Our manager representatives are **Bill DeMille** of Chicagoland Management & Realty, **Pamela Lawrence** of Chicago Property Solutions and **Mary Swindal** of Pilgrim Management. Bringing an owner perspective are **Beth Lloyd**, ACTHA's President and a suburban townhome resident; **George Panagakis**, ACTHA's Legislative Chair who lives in a small, self-managed Chicago association and **Pat Spear** of 505 N. Lake Shore Dr. CA, a hi-rise in Chicago.

ACTHA invites comments from all of its members: what do you see as problem areas, what suggestions do you have for changing the act, do you think townhome associations should be a part of the ICPA, would you like to see one vote per unit on issues that come before the owners as opposed to percentage of ownership—you can email your thoughts to [gael@actha.org](mailto:gael@actha.org), use the "Homeowners Forum" on ACTHA's web site ([www.actha.org](http://www.actha.org)), call (312-987-1906) or write: 28 E. Jackson, Ste. 910, Chicago, IL 60604

**ACTHA will host a Legislative Panel at the October 27 Conference & Mini-Trade Show. Panelists include State Rep. Harry Osterman, attorney Mark Pearlstein and ACTHA's lobbyist Dick Lockhart**



# CONFERENCE REGISTRATION FORM

**Association Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

Registration fee includes programs, materials, trade show and breakfast. If interested in attaining your "ACTHA Certified Leader" standing, enter information in the "ACTHA Certified Leader" boxes, not the "Registration Fee" boxes. Note: "ACTHA Cert. Leader" courses are open to all registrants but there is an extra fee attached for those desiring certification. Certification must be completed within two years of start date. Certification programs will be offered in various locations a minimum of three times during 2008.

<b>Sat., Oct. 27, Navy Pier, Chicago</b>	<b>Member Rate</b>	<b>Non-Member Rate</b>	_____
Registration fee	\$35 per person	\$75 per person	_____
If sending 3 or more from same association	\$30 per person		_____
"ACTHA Cert. Leader": Governance	\$25 per person	\$100 per person	_____
"ACTHA Cert. Leader": Administration	\$25 per person	\$100 per person	_____
<b>If registering after Oct., 24, add \$20 per person</b>			_____

Names of those attending: \_\_\_\_\_

<b>Sat., Nov. 3, Joliet</b>	<b>Member Rate</b>	<b>Non-Member Rate</b>	_____
<b>Holiday Inn, 411 S. Larkin</b>			
Registration fee	\$35 per person	\$75 per person	_____
If sending 3 or more from same association	\$30 per person		_____
"ACTHA Cert. Leader": Meetings	\$25 per person	\$100 per person	_____
"ACTHA Cert. Leader": Financial Aspects	\$25 per person	\$100 per person	_____
<b>If registering after Oct., 31, add \$20 per person</b>			_____

Names of those attending: \_\_\_\_\_

<b>Sat., Nov. 10, Schaumburg</b>	<b>Member Rate</b>	<b>Non-Member Rate</b>	_____
<b>Courtyard @ Marriott, 50 N. Martingale Rd.</b>			
Registration fee	\$35 per person	\$75 per person	_____
If sending 3 or more from same association	\$30 per person		_____
"ACTHA Cert. Leader": Physical Aspects	\$25 per person	\$100 per person	_____
"ACTHA Cert. Leader": Rick Management	\$25 per person	\$100 per person	_____
<b>If registering after Nov. 7, add \$20 per person</b>			_____

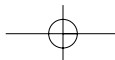
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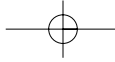

**Registering for all three conferences? Deduct \$10 for each person registered** \_\_\_\_\_

**Registering for two of the conferences? Deduct \$5 for each person registered** \_\_\_\_\_

**TOTAL ENCLOSED** \_\_\_\_\_

Please make check payable to "ACTHA" and remit to: 28 E. Jackson, Ste. 910, Chicago, IL 60604. Individuals may also register on line using a credit card ([www.actha.org](http://www.actha.org)). Confirmations are not sent. For additional information, contact ACTHA's office at 312-987-1906 or [actha@actha.org](mailto:actha@actha.org)




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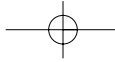
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Continued from page 1

Now as a commercial banker who specializes in helping homeowner associations, it is my job to help the board members with financial solutions for their association's major repair and replacement projects. Common concerns for associations are the larger issues such as roof repairs or replacements, elevator repairs, tuck-pointing and brickwork, and the replacement of siding. In order for the association to maintain the building and cover the cost of maintenance, repairs and replacements, there must be funds available to pay for these projects.

For many years the only known options were to deplete the reserve funds, pass special assessments, or often times put off these important projects all together. Homeowner associations have more options available to them now to assist with the planning of the major repairs and routine repairs and replacements. A few examples of financial planning are the utilization of reserve studies, saving for planned projects and the option of commercial lending.

No matter how the association decides to pay for these projects, it is important that you understand the financial condition of your association. Being active in your association is crucial to understanding what the plans are for the common elements and the protection of your investment, so don't assume that the work will get done.

Many factors come into play when it comes to the important planning of major repairs and routine maintenance. A few of these factors are affordable assessments, the ability for the association to pay its bills, and does the association have enough money to pay for the maintenance, repairs and replacements of the common elements?

Each association should often ask itself:

- What minor repairs need to be made in the current year?
- What major repairs need to be made, when do they need to be made, and how will the association pay for them?
- How much money has the association saved?
- Does the association have enough money to make these repairs?

What effect will these decisions have on the residents?

Now that you have asked and hopefully answered these questions, what do you do now? Well each association is different, so there is no right or wrong answer. Just keep in mind that planning for the present and for the future should be top of mind. Taking care of the common areas with basic upkeep and planning for the major repairs and replacements in the future will help protect your investment and maintain your maintenance free living.

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Harris, N.A. is a supporting member of ACTHA

**WHAT IS COMMUNITY LIVING?**

*Karen gave us just one perspective in the article above. This topic will be explored in even greater depth at a seminar on Sat., November 3 in Joliet. See page 5 for registration.*

*You can also visit ACTHA's web site for information on other program offerings.*

**Aging populations will pose challenges to community associations:** to what extent must associations comply with the American for Disabilities Act; can a board do anything about failing residents particularly those living alone or without family nearby and what is a board's responsibility if any towards these individuals; may a townhome owner reconfigure their entrance for handicapped accessibility without a board's approval?

***These and other questions will be explored at a session ACTHA will hold on Sat., November 10 at the Marriott in Schaumburg. To register, see page 5 or go online at [www.actha.org](http://www.actha.org)***



Chicago, IL 60604  
28 East Jackson, Suite 910



## Question of the Month

**Q.** Can owners be required to carry personal property insurance to insure the contents of their units and to insure property losses that they may cause to their neighbors or to the association?

**A.** Unit owners in community association need to be a part of the community in spirit as well as in legality. The association declarations most generally have an indemnity clause that prohibits unit owners and the association from making a claim against the other for anything that is covered by insurance. The insurance in response has a waiver of subrogation language that promises that it will not pursue another unit owner or the association to be reimbursed for its claim payment.

This works best when every entity in the community has the insurance needed. This would include both property and liability insurance.

By law, however, owners are not obligated to buy insurance to cover loss of their personal property. They are required by the Illinois Condominium Property Act to carry liability insurance that would respond to their negligence and to anything that causes loss to others that originates within the unit. Note that second requirement does not require negligence. If it originates in the unit, the unit owner will be responsible for damage not covered by insurance such as deductibles or excluded perils.

In a practical matter the required coverage is purchased by an HO-6 Condominium form. The policy covers both property and liability exposures. The required coverage could be purchased through a Personal Liability policy, but those are not readily available my many insurance carriers.

Denny Poer, CPCU \* Regional Marketing Director

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