



KEOUGH
MOODY

April 2018
Newsletter

A CHANGE ON A MEMBER'S RIGHT TO INSPECT CONDOMINIUM ASSOCIATION'S BOOKS AND RECORDS IN THE CITY OF CHICAGO

As of January 1, 2018, Section 19(a)(7) of the Illinois Condominium Property Act states that every association shall keep and maintain " . . . a current listing of the names, addresses, email addresses, telephone numbers, and weighted vote of all members entitled to vote." 765 ILCS 605/19(a)(7). Prior to January 1, 2018, there was no requirement to maintain email addresses or telephone numbers of all members. Such a change in the law raised concerns for many members, including those who are not on the Board of Directors. After all, many take specific steps to keep this information private.

Therefore, it is not surprising that the outrage for having to provide this information to one's condominium association resulted in proposed legislation. A bill was introduced to amend the Condominium Property Act so that a condominium association would not be required to maintain email addresses and telephone numbers of all members. This bill is known as Senate Bill 572 and is still pending. Yet, instead of waiting for an amendment to the Condominium Property Act, the Chicago City Council decided to take action, under its home rule authority.

On March 28, 2018, the City of Chicago amended Section 13-72-080 of the Chicago Municipal Code, which is entitled "Examination of Records by Unit Owners." The amendment includes the following important changes:

1. It only provides a member with the right to inspect the records.
2. The Association has thirty business days from receipt of a timely written request to make the records available.
3. The only records the members may inspect include:
 - Declaration, bylaws, and plats of survey and all amendments thereto;
 - Rules and regulations, if any;
 - Articles of incorporation for the association, and all amendments thereto;
 - Minutes of all meetings of the association and its board for the immediately preceding 7 years;
 - Current insurance policies of the association;
 - Contracts, leases and other agreements currently in effect for which the association is a party or which the association or the unit owners have any obligations or liabilities; and
 - The books and records of the association's current and 10 immediately preceding fiscal years, including itemized and detailed records of all receipts, expenditures, and accounts.
4. While the Board is to keep and maintain a current listing of unit owners' names, addresses, email addresses, telephone numbers, and weighted vote of all members entitled to vote, only members of the Board have the right to inspect, examine or make copies of the records containing this personal information.

The Amendment not only prevents Owners from making copies of pertinent personal information to each member, it also prevents an Owner from requesting to inspect the ballots and proxies of all matters voted on by the members of an association within the last 12 months. Again, it also gives the Association more time to respond to a document request.

Lastly, The City of Chicago ordinance allows a condominium association to opt out of the requirements of the City ordinance with the approval of two-thirds (2/3) of all unit owners; thereby reverting to the terms of Section 19 of the Condominium Property Act. It is important to note that this Amendment does not go into effect until April 18, 2018. Once again, Chicago condominium associations should re-evaluate how document requests are handled, in light of these recent changes.

If you have any questions about this change to the City of Chicago Municipal Code, please contact Gabriella Comstock at grc@kmlegal.com or at (630)369-2700 x 209.

**PLEASE NOTE THAT THIS ARTICLE ONLY APPLIES TO CONDOMINIUM ASSOCIATIONS
LOCATED WITHIN THE CITY OF CHICAGO**

TRUTH OR FICTION? HOW DO YOU KNOW?

Have you ever been to a board meeting when a member asked why something was being done and the response given by a board member was "because that is how we have always done it"? Have you ever been to a board meeting and a member holds up a newspaper clipping or presents the results from a Google search to support why the association should do something differently? Have you ever heard someone say if a Unit goes into foreclosure or if the Owner files for bankruptcy, the association will never receive any money? Have you ever heard someone say our association must follow Robert's Rules of Order or the Open Meetings Act? Has the President of your association ever said he/she will only vote in the event of a tie? The list can go on and on and it can be difficult to know what is true and what is fiction. It can also be difficult to know what is required and what is best practices.

To help community association managers, board members, and members of associations learn about common association myths and how they may or may not apply to a particular association, Dawn Moody and Gabriella Comstock will present a seminar at the 2018 CAI Legal Forum entitled *Top Association Collection and Governance Myths*. We hope you join us to learn more!

You may click the following link to re-direct you to the registration page for the Legal Forum. <http://www.cvent.com/events/legal-forum/event-summary-12bcd651924e47f0b988be5501dfb722.aspx>





EVICITION ACTIONS are the most efficient manner through which an association can collect delinquent assessments. With that said, many do not understand how an eviction action works for an association.

Join us on Wednesday, April 18, 2018, from 3:00 - 5:00 p.m. at the Naperville Country Club, located at 25W570 Chicago Avenue, Naperville, IL for a joint seminar with Chicagoland Property Preservation LLC, addressing the legal and practical aspects of an eviction action. At that time, you will learn about the legal process of an eviction action, the enforcement of the order of possession (eviction order), and action steps after taking possession, including the potential lease of the home. This seminar will provide two hours of continuing education credits.

Click [HERE](#) to register today!

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UPDATE

AN AMENDMENT TO THE CITY OF CHICAGO MUNICIPAL CODE ENTITLED "EXAMINATION OF RECORDS BY UNIT OWNERS"

In our April Newsletter, we informed you about an amendment to the City of Chicago's Municipal Code related to condominium unit owners' rights to examine records. That amendment took effect April 18, 2018. However, prior to taking effect, the Law Department for the City of Chicago amended the proposed amendment. The second amendment by the Law Department reduced the amount of time given to a Board of Directors to respond to a request to examine records. The change makes the timing requirement in the City of Chicago ordinance parallel with Section 19 of the Illinois Condominium Property Act. Both provide a Board of Directors with only ten (10) business days to respond to any request of this sort. There were no other changes to the amendment. For your convenience, the following is a [link](#) to our April Newsletter that fully explains the other material amendments.

This Amendment to the City of Chicago's Ordinance is now effective. Please contact Gabriella Comstock (grc@kmlegal.com or 630/369-2700 x209) with any questions.

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