



news & update



28 E. Jackson Blvd., Rm. 910 • Chicago, IL 60604-2211 • 312-987-1906 • fax: 312-939-7590 • email: socialeng@aol.com • website: <http://www.actha.org>

MARCH 2002

WHAT'S IT ALL ABOUT ALFIE? LIVING IN A PLANNED UNIT DEVELOPMENT

(By: Steven R. Heuberger, President, Villa Management, Ltd., P.O. Box 7110, Libertyville, IL 60048, 847-364-9880. Villa Management is a supporting member of ACTHA.)

IMPORTANT CORRECTION:

The new insurance law takes effect June 1, 2002. The incorrect date was printed in last month's newsletter. For additional info contact the ACTHA office.

Inside this issue:

What's It All About Alfie?	1-2
Members Ask	2
Meet The ACTHA Board	4

Many people who have never lived in a Planned Unit Development purchase units with a misconception as to what they are truly buying. Perhaps it is based upon realtor's sales puff, developer's sales puff or just mistaken beliefs, which lead them to believe that they are moving into a hotel, assisted care, or a total maintenance free living facility. The reality is that Planned Unit Developments provide only limited services. There are still many homeowner obligations that must be fulfilled. Unfortunately, this leads to confrontation

between the expected service and the delivered service. Since the board of directors has a fiduciary responsibility to follow the provisions contained in the recorded declaration, or for want of a better characterization, the constitution of the association, and since management has a duty to fulfill the directions of the board of directors both the board and the management become targets of criticism because their decisions run contra to the perceived expectations of some unit owners. This leads many of the misguided homeowners

into thinking that they are not getting value for their assessment dollar.

The answer to the problem is that purchasers of Planned Unit Developments need to pay more attention to the product they are buying. Their attorney needs to instruct and teach them about the provisions of the recorded declaration and other restrictions. Unfortunately, in the majority of transactions that occur, neither the new purchaser, nor their attorney or realtor have ever read the recorded declaration to fulfill

continued on next page

What's It All About Alfie?

their legal responsibilities. Some may say, why not just ignore the restrictions and make the homeowner happy, but that would be legally incorrect, and would undermine the economic stability of the community.

In the end, Planned Unit Developments are no different than the rest of society. They are governed by laws and rules which must be enforced even if it makes individuals, from time to time, unhappy. that is what it is all about Alfie.

MEMBERS ASK.....

Q. Are association dues tax deductible?

A. Homeowners/Condo owner association fees are not typically deductible for federal tax purposes. However, if the property is used 100% for business, the dues would be 100% deductible. If the property is used partially for business, such as a home office, the percentage claimed for business would be used to determine the amount of the association dues that would be deductible.

(ACTHA would like to thank Shari Taylor of Shari Taylor & Company Chartered for responding to the Members Ask question. Shari Taylor & Co., Chartered is located at 401 Huehl Road, Northbrook and is a supporting member of ACTHA)

NEW DIRECTORS ELECTED TO ACTHA BOARD

ACTHA would like to welcome its new directors to the board. They are: **Bud Hermans** (215 Marengo CA Forest Park), **Jackie Smith-Williams** (Deer Park II CA, Crestwood) and **Emma Vissee** (Newport Village CA, Arlington Heights)