Chicago Residential Landlord Tenant Ordinance

A Guide to the RLTO for Chicago Landlords

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INTRODUCTION

If you're a Landlord of a Chicago rental property, then you have probably fallen victim to one of the technical pitfalls of the city's notorious Residential Landlord Tenant Ordinance. If you are one of the lucky few to have avoided a lawsuit arising from the RLTO, as it is commonly called, then you surely have heard the horror stories.

The purpose of the RLTO, found in Chapter 5-12 of the Chicago Municipal Code, is to regulate residential leasing agreements for most properties within the city limits. The Ordinance, however, is extremely tenant-friendly, levying high penalties against Landlords for even the most minor violations, and allowing tenants to recover attorneys' fees and court costs with every successful lawsuit. In addition, liability under the RLTO is absolute, whether the infraction was intentional or not. This is often referred to as strict liability and removes any court discretion in hearing each party's side of the story. Therefore, awareness of the Ordinance's requirements is an essential component of owning or managing rental property in the City of Chicago.

This pamphlet is intended to provide an overview of the Chicago Residential Landlord Tenant Ordinance, and give detailed explanations of the most commonly violated sections. Because of the expansive range of conduct the RLTO covers, however, this pamphlet cannot provide an exhaustive description of every provision, so do not hesitate to seek further guidance from our office. Although the Ordinance is riddled with traps, a thorough understanding of the law will assist you in avoiding its stiff penalties.

This pamphlet covers:

- Properties Covered by the Ordinance
- Drafting an RLTO Compliant Lease
- Ongoing Disclosure Requirements
- Security Deposits
- Landlord's Access
- Renewal or Termination of Tenancy

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Properties Covered by the RLTO

The Chicago RLTO is extremely broad and covers almost all residential rental property within the city limits. The Ordinance, as written, applies to every residential "dwelling unit" in the City, with certain exceptions. A "dwelling unit" ranges from a single rented room within a home, or an individual condominium unit, to high-rise apartment buildings. These definitions appear in **Sections 5-12-020** and **5-12-030** of the Ordinance.

The most common exemption is for owner-occupied buildings of six units or less. A common misconception is that the exception exists for *all* properties of six or fewer units, but that is not the case. The exemption only applies when the Landlord's primary residence is a unit within a building composed of six or fewer units.

The Illinois Security Deposit Return Act and Security Deposit Interest Act apply to residential rental property of five or more units, whether owner-occupied or not. Accordingly, a Landlord who lives in his five-unit building may be exempt from complying with the Chicago RLTO, but will still need to comply with the Illinois statutes.

The Ordinance also creates exceptions for hotels, motels, bed-and-breakfasts, hospitals, monasteries, homeless shelters, and dormitories. Properties under a real estate purchase or installment contract are also exempt from the RLTO, as long as the seller or purchaser under the contract is living in the unit. Finally, a unit that is occupied by an employee of the Landlord when that occupancy is conditioned upon employment at the property, like the apartment of a live-in manager or maintenance supervisor, is exempt from the requirements of the Ordinance.

Your Property is Subject to the CRLTO if:

- □ Your building contains 7 or more units; or
- □ Your building contains 6 or less units, and you do not live in the building.

But will NOT be Subject to the CRLTO if:

- □ Your rental property is a hotel, motel, bed-and-breakfast, or boarding house AND your tenant has been there less than 32 days and does not pay monthly rent;
- □ Your property is a hospital, covenant, monastery, extended care facility, asylum, temporary or transitional shelter, or a dormitory;
- □ The unit in question is occupied by your employee whose right to live there is conditioned upon his employment around the property;
- □ Your property is under a real estate purchase or installment contract and the purchaser or seller lives there.

A Proper CRLTO Lease and Ongoing Disclosure Requirements

The Chicago RLTO covers oral and written leases, for new or renewed tenancies. The requirements of the Ordinance are intricate and a "handshake agreement" almost immediately subjects the Landlord to liability. Written leases should be reviewed at length by our office to confirm compliance. If you question how to comply with any section of the Ordinance, our office can assist you, and our involvement should begin upon drafting the lease.

Prohibited Lease Terms

Section 5-12-140 outlines numerous lease provisions that become unenforceable if included in a lease under the Chicago RLTO, but only the most commonly included will be discussed in this pamphlet. First is a ban on any attorney fee provision that requires a tenant to pay the Landlord's attorneys' fees in *any* lawsuit arising out of the tenancy, except as provided by court rules, statute, or ordinance. The exception is fairly worthless, however, since under **Section 5-12-190**, the RLTO will trump court rules and statutes that *allow* for the recovery of attorneys' fees by a Landlord.

Per Section 5-12-180, the RLTO prohibition on a Landlord's attorney fee recovery extends to attorneys' fees arising out of a forcible entry and detainer, or eviction, lawsuit. Therefore, even when your tenant has failed to pay rent and you must proceed to court in order to legally evict him, you cannot recover your attorneys' fees in the City of Chicago.

Section 5-12-140 also limits the amount of late fees that can be enforced under the RLTO. A late fee is limited to $10.00 per month for the first $500.00 in monthly rent, plus an additional 5% for any amount of rent more than $500.00. In practical terms, if the monthly rent is $1,200.00, you can charge a late fee of $45.00: $10.00 for the first $500.00 in rent, plus $35.00 which is equal to 5% of the remaining $700.00 in rent. The same calculation applies to any discount or reduction in rent for early payment.

If a Landlord attempts to enforce a provision of the lease in violation of this Section, the tenant may recover his actual damages, plus two months rent, attorneys' fees, and court costs.

Attaching a Copy of the Ordinance

For any new or renewed lease, a Landlord is required to attach a summary of the Chicago RLTO, as well as a summary of security deposit rights, obligations, and remedies pursuant to **Section 5-12-170**. Each summary is prepared by the City Commissioner of the Department of Housing and is updated periodically. The most current version of each summary must be attached to the lease or renewal, so consult our office to confirm you have the correct one. The summary must also include certain language regarding porch and deck safety. In the case of an oral lease, the Landlord is required to give the tenant copies of these summaries at the onset of the tenancy or upon renewal.

Should a Landlord violate this Section, the tenant can terminate the lease upon 30 days notice and recover $100.00 in penalties, plus attorneys' fees and court costs.

Disclosure of Owner and Agents

In **Section 5-12-090**, the RLTO demands that a Landlord, or agent, must disclose in writing at the beginning of, or prior to, the tenancy, the name, address, and phone number of (1) the owner or person authorized to manage the property and (2) the person allowed to act on behalf of the owner for service of process and receiving notices and demands. This information must be updated and kept current, and will extend to any successor landlord, owner, or manager. The easiest manner of compliance is to simply include this written disclosure in the lease or in an addendum to the lease. Our office can assist you in drafting a proper disclosure.

As a rental property manager, if you sign the lease, but fail to provide these written disclosures, you will become liable for all of the obligations of the Landlord under the Ordinance, and become authorized to receive service of process, notices, and demands.

Under Section 5-12-030(b), a "Landlord" is broadly defined as an "owner, agent, lessor, or sublessor, or the successor in interest in of any of them." Therefore, a managing agent may be liable for all of a landlord's obligations under the RLTO, especially if the actual property owner is not disclosed to the tenant pursuant to Section 5-12-090.

Further, failure to comply with Section 5-12-090 may result in a tenant's notice of termination, under which a Landlord will have 14 days to comply. If the Landlord does not comply within that time period, he will be liable for one month's rent, or the tenant's actual damages, whichever is greater, plus attorneys' fees and court costs.

Notice of a Foreclosure Action

Upon entering into a new tenancy, if the Landlord is a party in a foreclosure lawsuit involving the leased unit, the Landlord must disclose the lawsuit in writing under **Section 5-12-095**. Again, the simplest way to comply with this Section is to include the disclosure in the new lease or in an addendum to the lease.

Further, this obligation, as with many other notice requirements under the RLTO, is continuous and, within seven days after being served with a foreclosure complaint for the property, a Landlord must provide written notice of the action to current tenants. The notice must be served on all tenants, as well as anyone who consistently pays rent on behalf of any tenant. The disclosure must include the court in which the lawsuit is pending, the case name and number, and specific language regarding the Landlord's and tenant's ongoing obligations. Our office can assist you in drafting a compliant disclosure.

Upon a Landlord's violation of this Section, a tenant may serve a 30 day notice of termination of the lease and recover $200 in damages, plus attorneys' fees and court costs.

Notice of Code Violations and Utility Shut-offs

Next, your lease or lease renewal must contain, in the body of the lease or as an addendum, written disclosure of code violations and utility shut offs. **Section 5-12-100** requires that a Landlord provide

the tenant notice of any City of Chicago code violations during the 12 months prior to the tenancy for the dwelling unit or common areas, as well as notice of any pending code enforcement litigation or compliance board proceedings with the case number and list of cited violations. The Landlord must further disclose in writing any notice by the City or a service provider to terminate water, gas, electric, or other utility service to the dwelling unit or common areas.

The scope of Section 5-12-100 is not limited to the units and common areas of buildings owned by the Landlord. Even a Landlord of a single condominium unit within a community association must investigate and disclose any code violations or utility shut-offs in the common areas of the association building within the last 12 months to comply with Section 5-12-100.

These obligations are continuous and must be updated throughout the tenancy. As in Section 5-12-090, a tenant may serve the Landlord with notice of a violation of Section 5-12-100, allowing the Landlord 14 days to comply, or the Landlord will be liable for one month's rent or the tenant's actual damages, whichever is greater, plus attorneys' fees and court costs.

- □ **Did you include any prohibited terms in your lease?**
- □ **Did you attach copies of the RLTO summary and security deposit summary to your lease?**
- □ **Did you include a written disclosure of the property owner, Landlord, and/or agents in your lease?**
- □ **If your building or unit is in foreclosure:**
  - **Did you include a written disclosure of the foreclosure lawsuit in your lease?**
  - **Did you serve written notice on your current tenants of the foreclosure lawsuit?**
- □ **If there are any building code violations or utility shut-off notices pending against your building, unit, or the common areas:**

- **Did you include a written disclosure of these issues in your lease?**
- **Did you serve written notice on your current tenants of these issues?**

Security Deposits

The RLTO Section most commonly violated by Landlords and property managers is **Section 5-12-080**, covering security deposits. From strict receipt requirements to continually changing annual interest percentages, the provisions of this Section are tedious, technical, and riddled with pitfalls for even the most well-informed Landlord.

In Illinois, security deposits are also regulated by the Security Deposit Interest Act and the Security Deposit Return Act. Usually, the requirements of the RLTO are more stringent than those of the Illinois statutes, so, generally, a Landlord who is in compliance with the RLTO will also be in compliance with the statutes. However, there are exceptions where provisions of the Illinois statutes are more onerous, so do not hesitate to contact our office for guidance.

The RLTO restrictions on handling a tenant's security deposit are not limited to those deposits held for repair or to ensure a tenant's performance of lease obligations. The definition of "security deposit" for purposes of imposing fines under this Ordinance has been extended to include prepaid rent and pet deposits. Therefore, as a general rule, consider any funds held by the Landlord on behalf of the tenant as subject to the obligations of Section 5-12-080.

Further, this Section imposes strict liability for non-compliant Landlords, meaning the consequences are absolute, even if the violation was unintentional (except in some cases of miscalculated interest, which will be addressed shortly). **Section 5-12-080(f)** establishes a penalty twice the amount of the security deposit, plus attorneys' fees and court costs for violations of Section 5-12-080. Additionally, some subsections provide for further penalties over and

above the general "two times" fine. The only good news about this Section is that the penalty is not cumulative. In other words, your tenant cannot collect the "two times" penalty for each violation of Section 5-12-080. Even if you violate each and every subsection, the Court may only award *one* penalty of twice the security deposit, plus attorneys' fees and costs, and any additional penalties provided by the violated subsections.

At a glance, the subsections of RLTO Section 5-12-080 are as follows:

- **5-12-080(a) covers the Landlord's obligation to hold the security deposit in an interest-bearing account, without commingling the deposit with the Landlord's assets, and disclose the name and address of the bank where the deposit is held.**
- **5-12-080(b) requires that the Landlord tender a properly executed receipt to each tenant.**
- **5-12-080(c) compels a Landlord to pay interest on the security deposit.**
- **5-12-080(d) discusses damage deductions taken from and the return of the security deposit.**
- **5-12-080(e) outlines the requirements for turnover of the security deposit upon sale or transfer of the property.**

Providing a Proper Security Deposit Receipt

At the time of receiving a security deposit, a Landlord, or her agent, must provide the tenant a written receipt that includes a number of items. Pursuant to **Section 5-12-080(b)**, the receipt must contain the name of the person who received the deposit, the date on which the deposit was received, and a description of the rental unit. If the security deposit was tendered to the Landlord's agent or property manager, the receipt must identify the Landlord. Finally, the tenant must sign the receipt for compliance with this subsection.

If the Landlord accepts a security deposit via electronic funds transfer, then the Landlord is obligated to either provide the tenant with a paper receipt, as outlined above, or in the alternative, provide an electronic receipt with the same information and secure an electronic or digital signature.

If a tenant brings an action against a Landlord for failure to comply with these provisions, the Court must award the tenant immediate return of the security deposit, recovery of twice the deposit amount, plus attorneys' fees and court costs. Therefore, where a property manager collects a $1,000.00 security deposit and inadvertently forgets to include the Landlord's name on the receipt, the Landlord will be liable for return of the $1,000.00 deposit, plus an additional $2,000.00 penalty, as well as the tenant's attorneys' fees and court costs incurred in bringing the lawsuit.

Disclosure of the Security Deposit's Location

Once a Landlord has accepted a security deposit and properly issued a written receipt to the tenant, the deposit must be held in a federally insured, interest-bearing, non-commingled bank account in Illinois. The name and address of the financial institution where the security deposit will be held must be clearly disclosed in the lease in order to comply with **Section 5-12-080(a)(3)**. If there is no written lease, the Landlord must provide the information to the tenant in writing within 14 days from accepting the deposit. Further, if the Landlord transfers the security deposit from one bank to another, he must give written notice to the tenant of the new bank's name and address within 14 days of the transfer.

Commingling

When a Landlord commingles his assets with a tenant's security deposit, the penalties are stiff and unyielding. A security deposit does not become the Landlord's property upon acceptance. To the contrary, a security deposit remains an asset of the tenant and the Landlord becomes the fiduciary of those funds. Therefore, commingling of the security deposit with any other assets belonging to the Landlord is strictly prohibited by **Section 5-12-080(a).**

Unfortunately, there are numerous ways to commingle assets and not even temporary, inadvertent, or harmless commingling will relieve a Landlord from liability of the "two times" penalty.

In the past, a common problem arose when a Landlord accepted the security deposit and first month's rent in the same check. Instantly upon depositing the check, the security deposit would be

commingled with the rent, an asset of the Landlord, and the Landlord would be liable for penalties. However, a July 28, 2010 amendment to the Ordinance carved out an important exception, as cited in **Section 5-12-080(a)(2)**: Landlords can now accept the security deposit and first month's rent in one check (or as a single electronic funds transfer into a general operating account) if the Landlord transfers the security deposit funds into a separate account within 5 days of receiving the check or transfer.

Another issue arose when a Landlord would hold security deposit funds in an account that generated a higher rate of interest than the City of Chicago required to be paid to tenants. Because the excess interest is considered the property of the Landlord, as soon as the bank credited the interest to the account, the Landlord's portion of that interest would be commingled with the security deposit funds. The same July, 2010 amendment, however, added **Section 5-12-080(a)(4)** which states that excess interest in a security deposit account shall not be considered commingling.

The ways to commingle funds is endless and a Landlord may very easily find herself in an inescapable predicament for even the slightest unintentional infraction. This Section, like most others in the RLTO, imposes strict liability, meaning that the penalty of twice the security deposit, plus attorneys' fees and costs, is absolute whether or not the violation was intentional. Accordingly, consult our office upon accepting a security deposit or purchasing an investment rental property to assure you do not commingle the funds.

Security Deposit Interest

Section 5-12-080(c) requires a Landlord to pay annual interest, either in cash or as a credit for upcoming rent, on any security deposit held more than six months, at a rate set forth by the City of Chicago Comptroller. The rule seems simple enough. However, this Section allows room for interpretation and, as too many well-intentioned Landlords have discovered, interpretations under the RLTO are very rarely settled in favor of the Landlord.

Interest rates required by Illinois, pursuant to the Illinois Security Deposit Interest Act, may be higher than the City of Chicago rates, so contact our office to confirm you are paying the proper amount of interest.

First, the Ordinance requires that the interest be paid within 30 days following the end of each twelve month rental period. This timeframe is not flexible. Accordingly, a Landlord cannot simply pay interest to all tenants in his building on January 1, since many of the tenancies do not complete a twelve-month cycle in December. Further, if the lease covers an atypical period, such as thirteen or fourteen months, a Landlord should pay the required interest within 30 days following the end of the first twelve months, and again at the end of the lease term, even if it is two months later.

Second, Section 5-12-080(c) states that the interest will accumulate from the beginning date of the rental term, as set forth in the lease. However, when a tenant pays the first month's rent before the term begins, the most cautious approach would be to begin calculating interest from the date rent is first collected. The interest rates have been so low in the past few years, the extra pennies entailed in taking this precaution would far outweigh the thousands a Landlord could lose if a Court interpreted this Section against him.

Third, pursuant to this Section, a Landlord must pay interest at the rate set by the City of Chicago Comptroller for the calendar year in which the lease was entered into. Too often, a Landlord uses the commencement date of the lease term to determine which calendar year's interest rate applies. In the case where a tenant signs the lease in December and the lease term begins on January 1, December's annual interest rate should apply because that is the year in which the lease was entered into. However, again, the cautious route is the best—pay the interest at whichever year's rate was higher.

With the amendments of July, 2010, **Section 5-12-080(f)(2)** was added to reduce the stiff penalties for inadvertent miscalculations of interest. Now, if a tenant believes the amount of interest is incorrect, he must provide written notice to the Landlord. Then, the Landlord has 14 days to either pay the correct amount of interest, plus an additional $50.00, or provide a written reply delineating how the interest was calculated. If the tenant still disagrees with the amount

paid, he may file a lawsuit and, if successful, will recover twice the security deposit, as well as the correct interest, plus attorneys' fees and court costs.

Sale of Rental Property and Transfer of Security Deposits

Upon sale of a rental property, the security deposits, plus accrued interest, must be transferred from seller to buyer. **Section 5-12-080(e)** requires the buyer, or successor Landlord, to notify all tenants in writing, within *14 days* of the purchase, that he is now holding the security deposits and interest. The notice must also contain the successor Landlord's name, address, phone number, and, if applicable, the name, address, and phone number of any managing agent.

Further, the seller will remain liable for the security deposits and interest, along with the successor Landlord, unless he provides written notice to the tenant, within *10 days* of the sale, that the security deposits have been transferred and include the name, address, and phone number of the successor Landlord, as well as his agent.

Like other provisions in this Section, a violation of this clause will result in a fine of two times the amount of the security deposit, plus attorneys' fees and costs.

If you sell your rental property and transfer the security deposit, plus the properly calculated interest through the date of sale, to the new owner, but you fail to notify the tenants of the transfer within 10 days, you could be sued five years down the road when the tenant moves out and the successor Landlord fails to return the security deposit. Many real estate closing attorneys know the basics of the RLTO, but few will insist that you deliver such a notice upon sale. It is your duty as a Chicago Landlord to be informed and serve the appropriate notice. Contact our office; we're here to help.

Repair Receipts and Return of the Security Deposit

Once a tenancy ends, a Landlord is required to return the security deposit to the tenant. Pursuant to **Section 5-12-080(d)**, the Landlord

is required to return the deposit within 45 days after the tenant vacates the property (or within 7 days in the case of a notice of termination due to fire or other major casualty). If there is unpaid rent, wrongfully withheld rent, or damage to the property, the Landlord may deduct those amounts from the security deposit, as long as he follows the protocol set forth in this Section.

If repairs are necessary, within 30 days of the date the tenant vacates, the Landlord must provide an itemized statement of the damages, a list of actual or estimated cost for the repairs, and copies of the receipts for the work performed. If the repairs cannot be performed in that timeframe and the Landlord must provide estimated costs for the work, he then has an additional 30 days from the date of the itemized statement to provide the actual receipts.

If a Landlord fails to comply with these requirements within the specified timeframes, he must return the entire security deposit, whether or not there are damages, within 45 days after the tenant has vacated.

Of importance in this Section is that the timeframe begins to toll when the tenant vacates the property, not at the termination date. Therefore, if a proper notice of termination ends the tenancy on July 31, but the tenant does not actually vacate until August 4, the Landlord has 45 days from August 4, not July 31. This becomes a key defense to a security deposit return violation, and stands as one of the only defenses a Landlord has under the RLTO.

- □ **Did you provide a new tenant with a proper receipt for the security deposit?**
- □ **Did you provide a written disclosure of the federally insured bank where the security deposit will be held within 14 days of accepting it?**
- □ **Were you careful not to commingle your funds with the security deposit?**
- □ **If you accepted first months rent in the same check as the security deposit, did**

you transfer the security deposit funds to another account within 5 business days?

- □ **Did you pay interest on the security deposit within 30 days of the end of a twelve month rental period?**
- □ **Did you use the proper rate of interest?**
- □ **Upon selling your rental property, did you transfer the security deposit(s) and interest to the buyer, and notify your tenants of the new Landlord's name, address, and phone number, and that of his agent, within 10 days of the sale?**
- □ **Upon purchasing a rental property, did you notify your new tenants of your name, address, phone number, and that of your agent or property manager within 14 days of the purchase?**
- □ **At the end of the tenancy, did you return the security deposit within 45 days of the tenant vacating the property?**
- □ **If repairs were necessary, other than normal wear and tear, did you provide an itemized list of the damages, the actual or estimated cost of repairs, and copies of paid receipts within 30 days from the date the tenant vacated?**
- □ **If you could not get the repairs done in time, did you provide estimated costs within 30 days and actual costs within 30 days thereafter?**

Landlord's Access

Section 5-12-050 of the RLTO sets forth the rules and requirements governing a Landlord's right of access. First, this Section lists the reasons a Landlord may enter the property, including emergency repairs in the unit and unexpected access when maintenance in other areas of the building require it. However, other than these two practical exceptions, a Landlord must give the tenant two days notice of his intent to enter, either by mail, telephone, or written notice at

the unit. In emergency circumstances, a Landlord may enter without notice, but must give the tenant notice of the entry within 2 days afterward. Further, the Ordinance requires that a Landlord gain access, other than in emergency situations, only at reasonable times, and specifies "reasonable" as anytime between 8:00am and 8:00pm, or anytime requested by the tenant.

A violation of this Section will result in a penalty equal to two months' rent or twice any damages, plus attorneys' fees and court costs.

Unlike violations of the Security Deposit provisions, infractions under Section 5-12-050 can be cumulative. The Court can award a penalty for *each* violation under this Section.

Renewal or Termination of Tenancy

Upon expiration of a lease term, a tenancy in Chicago does not simply terminate on its own accord. In fact, **Section 5-12-130(j)** requires a Landlord to serve written notice upon the tenant of his intent not to renew the lease. The written notice must be served upon the tenants at least 30 days prior to the date of termination of the lease. If a Landlord fails to serve the appropriate notice within the specified timeframe, the tenant can remain in the unit an additional 60 days.

On the other hand, if a Landlord would like to renew the lease with his tenant, he must offer an option to renew within 90 days of the lease termination. **Section 5-12-130(i)** of the Ordinance prohibits a Landlord from requesting renewal more than 90 days from the end of the lease term. Should a Landlord violate this Section, the tenant can recover one month's rent or actual damages.

In a practical setting, a Landlord may very well expect her tenant to renew the lease, but with only 12 days to lease termination, the tenant refuses to sign a new lease. Now, the Landlord cannot send the proper termination notice more than 30 days prior to the end of the lease. In this case, the Landlord is stuck and must serve a 60 day termination notice, allowing the tenant an additional 60 days in the property.

There are methods of protecting yourself as a Chicago Landlord or property manager, so do not hesitate to call our office for practical advice.

Conclusion

The opportunities to violate the Chicago Residential Landlord Tenant Ordinance are abundant and penalties for such infractions are stiff. This pamphlet has covered the majority of provisions in the Ordinance, but there remain additional Sections that, although are less frequently violated, are nonetheless worth investigating. It is incumbent upon Chicago Landlords to be familiar with the requirements of the Ordinance and to be proactive in seeking expert guidance from our office.

KSN Monthly Retainer Program

Because legal questions about the Chicago RLTO, as well as other aspects of owning rental property, can arise on a daily basis, a Landlord's legal bills can become unbearable. Often, a Landlord will simply make a decision without legal advice, because he can no longer afford his attorney's hourly rate. After listening to our clients, we have responded to this problem with an exclusive monthly retainer program. For a nominal monthly rate, clients can have access to our attorneys and paralegals to answer questions, review documents, and draft correspondence. Depending on the retainer program selected, diverse legal work is included from communication to corporate transactions to contract and third-party dispute resolution. Knowing that you can call your attorney anytime, without the concern of a large bill at the end of the month, allows you to properly manage your rental units and avoid greater liability down the road. Please contact us for details on our monthly retainer program and to discuss which program is right for you.

Appendix A
CASE LAW PERTAINING TO THE CHICAGO RESIDENTIAL LANDLORD TENANT ORDINANCE

Allen v. Lin, 356 Ill.App.3d 405 (1st Dist. 2005) – The exception for owner-occupied buildings of six units or fewer does not apply to a townhouse when the Landlord lives next door, even if the townhomes share a common roof.

Berven v. Marquette Nat'l Bank & Trust, 915 N.E.2d 84 (1st Dist. 2009) –The exception for owner-occupied buildings of six units or fewer does apply to a Landlord who rents a coach house behind the Landlord's residence, especially when the coach house is on the same residential lot, shares the same street address, and is partly used by the Landlord as a garage or storage space.

Meyer v. Cohen, 260 Ill.App.3d 351 (1st Dist. 1993) –For CRLTO purposes, the number of units in the building is based upon the actual number of units, not the number of units actually occupied.

VG Marina Management Corp. v. Wiener, 378 Ill.App.3d 887 (2nd Dist. 2008) –Even if a unit is not the tenant's primary residence, and the tenant only occupies the unit during business trips, the unit is subject to the CRLTO.

Lawrence v. Regent Realty, 197 Ill.2d 1 (2001) — A tenant is not required to establish that a Landlord's violation of the RLTO is willful or in bad faith; instead, the Ordinance imposes an absolute duty on Landlords.

Sternick v. Hunter Properties, 344 Ill.App.3d 915 (1st Dist. 2003) — Violations of any Section of the Ordinance that allows recovery of the tenant's actual damages are remedial in nature and, therefore, are subject to a five-year statute of limitations.

Namur v. Habitat Co., 294 Ill.App.3d 1007 (1st Dist. 1998) – Violations of Section 5-12-080, regarding security deposits, are

punitive in nature, and thus, are subject to a two-year statute of limitations.

Solomon v. American National Bank and Trust Co., 243 Ill.App.3d 132 (1st Dist. 1993) — Upheld Section 5-12-080 which allows a tenant to recover damages equal to twice the security deposit, in addition to a refund of the deposit itself.

Plambeck v. Greystone Management Co., 281 Ill.App.3d 260 (1996) — For a Landlord's security deposit violations, tenants are limited to award of a single penalty equal to double the security deposit, despite how many violations occurred.

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