

IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE: )  
 ) Case No. 16-80238  
The Oaks of Prairie Point Condominium, ) Chapter 11  
 ) Judge Thomas M. Lynch  
 )  
Debtor/Debtor-in-Possession. )

**MOTION FOR AUTHORITY TO USE CASH  
COLLATERAL TO REPLACE ROOFS AND FOR RELATED RELIEF**

The Oaks of Prairie Point Condominium, Debtor/Debtor-in-Possession (“Debtor”) herein, by and through its Attorneys, makes its Motion pursuant to Section 363 of the Bankruptcy Code, Rule 4001(b) of the Federal Rules of Bankruptcy Procedure and Rule 4001-2 of the Local Rules of this Court For Authority to Use Cash Collateral and For Related Relief; and in support thereof, states as follows:

**Introduction**

1. On February 3, 2016, the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code (“Petition Date”).
2. The Debtor is operating its business and managing its financial affairs as Debtor in Possession. No trustee, examiner or committee of unsecured creditors has been appointed to serve in this reorganization case.
3. By this Motion, the Debtor requests that this Court authorize it to use certain cash and cash equivalents that allegedly serve as collateral for claims asserted against the Debtor and its property by Illinois State Bank (“Lender”).
4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. Sections 157 and 1334.

5. This matter constitutes a “core” proceeding within the meaning of 28 U.S.C. Section 157(b)(2)(A)(M) and (O).

**Relevant Factual Background**

6. The Debtor, the Oaks of Prairie Point Condominium, is an Illinois corporation, that is the owner and operator of a condominium buildings located in Lake in the Hills, Illinois, known as “The Oaks of Prairie Point Condominium,” (“Property”).

7. The Property is comprised of a numerous buildings, a recreation/fitness center and common areas and landscaping and is located at 1300 Cunat Court, Lake in the Hills, Illinois.

8. The Debtor’s problems are principally due to payments of a loan relating to the fitness center.

9. The Lender asserts a senior position mortgage lien and claim against the Property which purportedly secures a senior mortgage indebtedness of approximately \$1,575,000.00. In addition to its mortgage lien on the Property, the Lender asserts a security interest in and lien upon the assessments being generated at the Property.

10. Based upon the underlying loan documents of the Lender, the cash collateral issues in this Chapter 11 case relate to the assessments generated at the Property.

**Use of Cash Collateral**

11. In order for the Debtor to continue to operate its business and manage its financial affairs, and effectuate an effective reorganization, it is essential that the Debtor be authorized to use cash collateral for, among other things, the following purposes:

- A) Maintenance and Repairs;
- B) Insurance;
- C) Utilities;

- D) Real estate taxes;
- E) Real estate management fees;
- F) Other miscellaneous items needed in the ordinary course of business.

Attached to this Motion as **Exhibit A** is the summary of the roof replacement estimates as well as the proposal from Hogan Exteriors (“Hogan”) which has previously replaced roofs at the property and has been doing emergency roof repairs for the Debtor over the past few years.

12. The Debtor selected Hogan because of its prior experience at the property and expertise.

13. In May of 2011 the roofs suffered damage from a hail storm. In October of 2011, Roofing Consultants Ltd. performed a roof inspection and determined that all of the buildings had the same shingles which showed significant deterioration and were an inferior roofing product. A copy of the report is attached as **Exhibit B**. The report further concluded that the insured (Debtor) should consider planning for the replacement of the roofs in the near future to avoid any additional damage.

14. Since that time three of the buildings roofs have been replaced in 2014 and three more in 2015 and the remaining buildings’ roofs also must be replaced in order to preserve the property and avoid new claims being filed against the Debtor by unit owners who have suffered damage to their units. See email attached as **Exhibit C**.

15. The Debtor has tried to do the minimum repairs but it has become apparent these repairs are both insufficient and a waste of money at this time. As set forth in the photographs attached as **Exhibit D**, the damage to the roofs and need to replace the roofs are obvious.

16. The Debtor currently has sufficient cash to pay for the roof replacements.

17. The Use of cash collateral to pay for the roof replacement, will preserve the value of the Debtor's assets and thereby ensure that the interests of creditors that have or may assert an interest in both cash collateral and the Debtor's other assets are adequately protected within the meaning of Sections 361, 362 and 363 of the Bankruptcy Code.

18. Unless the Debtor is authorized to use cash collateral in which the Lender asserts an interest, the Debtor will be unable to continue to operate and manage its property without potential claims brought by unit owners for damage to their property but also against the Debtor for potential claims of a breach of fiduciary duty to maintain the property. The disallowance of the requested use of cash will cause irreparable harm to the Debtor, its creditors and this estate.

**Conclusion**

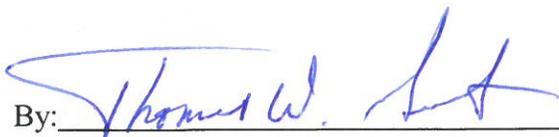
19. The Debtor believes that it is in the best interests of the Debtor, its creditors, and this estate to authorize it to use that portion of its assets herein requested, all or a portion of which may constitute cash collateral, in that, without the limited use of those assets as herein requested, the Debtor will be unable to repair and maintain the property thereby resulting in immediate and irreparable harm and loss to the estate.

20. For the reasons set forth herein, this Court should grant the relief requested in this Motion.

WHEREFORE, The Oaks of Prairie Point Condominium, as Debtor/Debtor- in-Possession herein, prays for the entry of an Order as follows:

- A. Authorizing the Debtor to use cash collateral in which the Lender asserts liens, upon the terms and conditions set forth in this Motion, until further Order of this Court;
- B. Granting such other relief as this Court deems just and appropriate.

The Oaks of Prairie Point Condominium,  
Debtor/Debtor-in-Possession

By:   
One of its Attorneys

**DEBTOR'S COUNSEL:**

Thomas W. Goedert, Esq. (ARDC #6201228)  
DOMMERMUTH, COBINE, WEST, GENSLER,  
PHILIPCHUCK, CORRIGAN AND BERNHARD, LTD.  
111 W. Jefferson Avenue, #200  
Naperville, Illinois 60540  
Telephone: (630) 355-5800  
Facsimile: (630) 355-5976  
[twg@dbcw.com](mailto:twg@dbcw.com)

**OAKS OF PRAIRIE POINT CONDOMINIUM ASSOCIATION  
ROOF REPLACEMENT PROPOSALS  
6/15/2015**

	<b>Hogan Roofing</b>	<b>S&amp;D Roofing</b>	<b>Creative Construction</b>	<b>Precise Construction</b>
Contact	Roger	Sam Martel	Dave Martinez	Joe Krysiak
Phone	815-477-2589	630-878-1941	847-567-0479	815-759-9900
Fax	815-477-9189	sdroofing.com	david6press@gmail.com	
	2014 Replaced 1371-1373-1375 Roof. 2015 Replaced 1380-1382-1384 Roof	Replacing roofs at Prairie Point Manor	Used to own at Association	Referred by Dave Martinez
<b>ROOF</b>		2015 Proposal	2015 Proposal	2015 Proposal
1360-1362 Roof	<b>\$35,360</b>	\$32,760	\$30,833	\$27,905
1370-1372-1374 Roof	<b>\$48,500</b>	\$49,995	\$46,385	\$42,126
<b>TOTAL ROOF</b>	<b>\$83,860</b>	<b>\$82,755</b>	<b>\$77,218</b>	<b>\$70,031</b>
<b>Fitness Center Roof</b>	<b>\$36,500</b>			
<b>UNIT PRICE ITEMS</b>				
1/2 Sheet Plywood	\$50	\$55	\$50	\$37
<b>NOTES</b>				
Shingle	Owens Corning Oakridge Lifetime	GAF Timberline Architectural		
Labor Warranty	10 year Labor	10 year Labor		



# Proposal

Date: 2/12/16

We hereby submit specifications and estimates for:



Howe Property Management  
 129 E. Calhoun  
 Woodstock, IL 60098

Thank you for considering Hogan Exteriors. We appreciate the trust you have shown us.

**Oaks of Prairie Point Condominium Association:**

Units: 1370,1372,1374; \$48,500.00

Units: 1360,1362; \$35,360.00

Clubhouse: 1300; \$36,500.00

Includes all specifications set forth by the Oaks of Prairie Point.

Remove existing shingle roof down to the wood decking.

Check for rotted or damaged plywood and replace at \$50.00 per sheet.

Check for rotted or damaged wood on soffit/fascia and replace at \$4.10 per linear foot.

Install ice and water shield in the following areas:

complete gutter perimeter; 6 feet

all valleys;

around base of chimney;

along walls under tin flashings;

around skylights if applicable;

Install premium 15# felt underlayment on roof decking.

If needed: Install new drip edge on gable ends.

Inspect all flashings along walls and replace if damaged.

Install new Benjamin Obdyke X18 Airvent (recommended by roofing engineers) no clog shingle over ridgevent.

Install new heavy duty color coordinated brick chimney counter flashing.

Install new lead flashing on plumbing vent stacks.

Clean all gutters of leaves and debris.

Install GAF Timberline architectural Lifetime shingles.

Hogan Roofing installs 6 nails per individual shingle.

HOGAN EXTERIORS GUARANTEES LABOR AGAINST LEAKS FOR 10 YEARS UNDER NORMAL WEATHER CONDITIONS UPON RECEIPT OF PAYMENT.

Clean work area daily and haul away all debris.

Dump truck, or roll off container will remain on the job site until work is completed.

Property will be protected while work is in progress.

We Contract hereby to furnish material and labor, complete in accordance with above specifications, for the sum of:

\_\_\_\_\_ dollars (\$ See above ).

Payment to be made as follows:

50% at Start of Job-Balance Upon Completion  
 2% finance charge per month on balances over 30 days

If paying by credit card, check one of the following:  VISA  Mastercard  Discover

Credit Card #: \_\_\_\_\_

Zip Code: \_\_\_\_\_ Exp. date: \_\_\_\_\_ 3 digit security code: \_\_\_\_\_

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents or delays beyond our control. Contractor to carry liability and other necessary insurance. Workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature

Note: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_  
 No Installment Plans Accepted

Acceptance of Contract - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Upon acceptance, please sign front and back of proposal. Return one copy to above address.

Date of Acceptance \_\_\_\_\_

Signature \_\_\_\_\_

**ROOF INVESTIGATION**

**Prepared For:** Thomas Saineghi  
Claims Representative  
Cincinnati Insurance Company  
P.O. Box 1289  
Crystal Lake, IL 60039

**Insured:** Oaks of Prairie Point

**Location:** Cunat Court  
Lake in the Hills, IL 60156

**Claim #:** 1618390

**DOL:** May 11, 2011

**Prepared By:**



**Roofing  
Consultants Ltd.**

*Engineers, Architects & Building Envelope Specialists*



**Milwaukee, WI**  
P.O. Box 1305  
Waukesha, WI 53187  
262-549-0802

**Chicago, IL**  
P.O. Box 4458  
Skokie, IL 60076  
47-965-3366

**St. Louis, MO**  
Plaza Executive Suites  
17295 Chesterfield Airport Rd.  
Suite 200  
Chesterfield, MO 63005  
636-530-3663

**Minneapolis, MN**  
7760 France Avenue South  
11<sup>th</sup> Floor  
Bloomington, MN 55435  
612-238-0802

**Indianapolis, IN**  
9465 Counselors Row  
Indianapolis, IN 46240  
317-584-5440



*Arick Groth*  
signature

*10-19-2011*  
date

license expires 11-30-*2013*

**Date:** **October 20, 2011**





# Roofing Consultants, Ltd.

Engineers, Architects & Building Envelope Specialists

1-800-549-0802

October 20, 2011

Thomas Saineghi  
Property Claims Manager  
Cincinnati Insurance  
P.O. Box 1289  
Crystal Lake, IL 60039

## Roofing & Siding Investigation

<b>Insured:</b>	Oaks of Prairie Point Condo Assoc. Cunat Ct. Lake in the Hills, IL 60156	<b>Contractor:</b>	Donna Smith Ph. #: 815-337-1656
<b>Loss:</b>	Hail		
<b>Claim #:</b>	1618390	<b>D. O. L.:</b>	May 11, 2011

**Date of Inspection:** Thursday, September 29, 2011

**Present at Inspection:** Bryan Horvath, RRO - Roofing Consultants, Ltd.  
Joseph Pacholczak - Roofing Consultants, Ltd.  
Donna Smith - Howe Real Estate Services, Inc.  
Alex Lafountain - Weathertek Construction Inc.

**Purpose of Inspection:** Determine presence & extent of hail damage to the roof system and siding.

**Background:** There were a total of five (5) buildings inspected. One of the buildings is the clubhouse. The four (4) others are 2-3 story multi-family condominium buildings. The address of each building is indicated on the enclosed roof plan. All buildings are similar in design. All have the same shingles installed on their roofs. All shingles appear to have been installed around the same time. Following are the observations of the inspection.

### Roof Construction Data

**Roof Ages:** 10-15 Years (*Estimated*)

<b>Roof Areas:</b>	<b>Fitness Center:</b>	13,142 sq. ft. ( <i>Approximate</i> )
	<b>1360-1362:</b>	11,915 sq. ft. ( <i>Approximate</i> )
	<b>1370-1374:</b>	17,110 sq. ft. ( <i>Approximate</i> )
	<b>1371-1375:</b>	18,740 sq. ft. ( <i>Approximate</i> )
	<b>1380-1384:</b>	17,485 sq. ft. ( <i>Approximate</i> )

**Roof Slope:** 6":12" & 12":12"

<b>Roof System:</b>	<b>Type:</b>	Organic Composition Shingle
	<b>Style:</b>	3-Strip Tab, Self-Sealing - Sealdon ( <i>Assumed</i> )
	<b>Color:</b>	Gray
	<b>Manufacturer:</b>	CertainTeed Corporation ( <i>Assumed</i> )
	<b>Attachment:</b>	4 Nails/Shingles

Waukesha Commerce Center, P.O. Box 1306, Waukesha, WI 53187  
P.O. Box 4458, Skokie, IL 60076  
17295 Chesterfield Airport Rd., Suite 200, Chesterfield, MO 63005  
7760 France Ave. South, 11<sup>th</sup> Floor, Bloomington, MN 55435  
9465 Counselors Row, Indianapolis, IN 46240  
Web Site: [www.roofingconsultantsltd.com](http://www.roofingconsultantsltd.com)

262-549-0802	Fax: 262-549-0776
847-966-3366	Fax: 847-966-9050
636-530-3663	Fax: 636-530-0596
612-238-0802	Fax: 612-238-0776
317-584-5440	Fax: 317-584-5483
E-Mail:	<a href="mailto:Info@roofingconsultantsltd.com">Info@roofingconsultantsltd.com</a>

Roof and Siding Investigation

Cincinnati/Oaks of Prairie Point – Lake in the Hills, IL

**Exposure:** 5"  
**Underlayment:** Asphalt Saturated Organic Felt  
**Roof Deck:** Wood  
**Valleys:** Closed-Cut  
**Drainage:** Gutters: 5", Prefinished Aluminum, K-Style  
Downspouts: 2"x3" Pre-finished Aluminum  
**Ventilation:** Roof: Standard Aluminum Roof Vents  
Eaves: Perforated Soffit Vents  
**Miscellaneous:** Soil Vents  
Stack Vents – Clubhouse Only  
Antennas  
Chimneys

---

Roof Installation

**General:** Satisfactory  
**Courses:** Fairly Straight/Even  
**Exposure:** Consistent – 5"  
**Fastening:** 4 Nails/Shingle  
**Transition Details:** Satisfactory  
**Ventilation:** Satisfactory  
**Comments:** None

---

Roof Condition

**General:** Fair – Poor  
**Tensile Strength:** Fair  
**Deterioration:** Surface cracking, curling, clawing, buckling, excessive granule flaking.  
**Granule Embedment:** Fair – Poor  
**Seal:** Fair – Poor  
**Torn/Missing/Creased:** Numerous throughout all buildings (*see enclosed roof plans for locations*)  
**Dislodged:** None  
**Past Repairs:** Numerous throughout all buildings  
**Comments:** The shingles on the subject roof appear to be the Sealdon product manufactured by CertainTeed Corporation. If indeed they are, this particular product has a history of premature deterioration. The shingles are an inferior roofing product.

The condition of the shingles is generally worse on the western and southern slopes due to more pro-longed exposure to the sun's ultra-violet rays. Moisture absorption has also contributed to their demise.

The weak seal is simply a result of the poor shingles. Over time the seals can wear thin and become weak. Again this is very common for this suspected brand of shingles.

Excessive deterioration of shingles tended to be more evident around the base of antennas and at roof to wall transitions over any other part of the roofs.

The numerous repairs are clear indicators that these roofs have had issues with shingles and tabs blowing off in the past. All repairs are easily identifiable as the color of the newer shingles is slightly different.

Numerous backed out nails were observed lifting up individual tabs throughout each roof in the complex. In some locations, the nails have worn through the shingle mat and were exposed. Exposed nails can be conduits for water.

**Roof Observations - Hail Damage**

Hail damage to a composition shingle roof system consists of bruising or fracturing of the shingle mat, or displacement of granules that leaves the shingle mat bare and exposed. Bruising is most common at supported locations and usually requires manual examination to confirm that damage has occurred to the shingle mat. Fracturing typically occurs at unsupported locations and is readily evident. These conditions can promote the absorption of moisture and subsequent premature deterioration of a shingle. Granule displacement must leave a distinct mark that exposes a portion of mat at least 1/4" in diameter. Partial granule displacement or "blemishing" that does not expose the asphalt mat is not considered to be legitimate hail damage. General granule displacement distributed across a roof is not quantifiable and does not constitute damage. All shingles experience some granule loss over the course of their life due to normal exposure to the elements, including hail.

Hail damage to a roof is quantified by the analysis of "test squares" (10' x 10' Area). The purpose of the test squares is to determine the amount of hail damage in a representative area of the roof. The test square results are then applied to the individual roof fields, or the roof as a whole, to estimate the total damage incurred. Protocol calls for the examination of four (4) test squares – One (1) facing each direction. Larger and/or more complex roofs typically require additional test squares at the discretion of the inspector. Additionally, a cursory overview of the remainder of each field is conducted to confirm the findings of the test squares.

Each roof had numerous test squares mapped out on it. Following are the test square findings for each building (also represented on the roof plan):

**Fitness Center**

<u>Location</u>	<u># Hail Impact Marks</u>	<u>Location</u>	<u># Hail Impact Marks</u>
North 1	1	North 2	0
North 3	0-1		
South 1	1	South 2	0
South 3	0		
East 1	0	East 2	0
West 1	0	West 2	0-1
Ridge/Hip Tabs	1	Valley Shingles	0

Average # Hail Impact Marks/Square: <1/Square  
 Type of Hail Impact Marks: Minor Granule Displacement & Fractures  
 Hail Size: Up to 1"

**1360-1362**

<u>Location</u>	<u># Hail Impact Marks</u>	<u>Location</u>	<u># Hail Impact Marks</u>
East 1	0	East 2	0
East 3	0	East 4	0
West 1	0	West 2	0
West 3	0-1	West 4	0-1
Ridge/Ridge Tabs	0	Valley Shingles	0

Average # Hail Impact Marks/Square: <1/Square  
 Type of Hail Impact Marks: Minor Granule Displacement & Fractures  
 Hail Size: Up to 1"

**1370-1374**

<u>Location</u>	<u># Hail Impact Marks</u>	<u>Location</u>	<u># Hail Impact Marks</u>
North 1	0	North 2	0
North 3	0	North 4	0
North 5	0	North 6	0
South 1	0	South 2	0
South 3	0	South 4	0
South 5	0	South 6	0
East 1	0	East 2	0
West 1	0	West 2	0
Ridge/Hip Tabs	0	Valley Shingles	1

Average # Hail Impact Marks/Square: 0/Square  
 Type of Hail Impact Marks: NA  
 Hail Size: NA

**1371-1375**

<u>Location</u>	<u># Hail Impact Marks</u>	<u>Location</u>	<u># Hail Impact Marks</u>
North 1	0	North 2	0
South 1	0	South 2	1
South 5	0	South 6	0
East 1	0	East 2	0
East 3	0	East 4	0
West 1	0	West 2	0
West 3	1	West 4	1
Ridge/Hip Tabs	2	Valley Shingles	0

Average # Hail Impact Marks/Square: <1/Square  
 Type of Hail Impact Marks: Minor Granule Displacement and Slight Fracturing  
 Hail Size: Up to 1"

**1380-1384**

<u>Location</u>	<u># Hail Impact Marks</u>	<u>Location</u>	<u># Hail Impact Marks</u>
North 1	0	North 2	0
North 3	0	North 4	0
North 5	0	North 6	1
South 1	0	South 2	0
South 3	0	South 4	0
South 5	0	South 6	0
East 1	0	East 2	1
West 1	0	West 2	0
Ridge/Hip Tabs	1	Valley Shingles	1

Average # Hail Impact Marks/Square: <1/Square  
 Type of Hail Impact Marks: Minor Granule Displacement and Slight Fracturing  
 Hail Size: Up to 1"

Comments: Ridge/hip tabs and valley shingles are generally more susceptible to hail damage over shingles in the field of the roof. This is because they tend to span a void in the roof deck sheathing and are not well supported. Additionally, the shingles at these locations are already under stress due to the sharp bend they must accommodate.

Shingles at rake edges and eaves are also susceptible to hail damage as they sometimes extend out over the roof edge. Without legitimate hail impact marks at these locations, it is very unlikely to have damage to shingles in the field of the roof. The lack of damage to the shingles at the critical transition locations is good supporting evidence that these roofs were not impacted with hail of great size or force.

**Metal Roof Accessory Observations - Hail Damage**

*Metal roof accessory items rarely suffer functional damage from hail impact. However, hail may cause aesthetic damage in the form of indentations. Rooftop penetrations can offer clear and permanent indications of hailstone impacts, including hail size, density and direction of the hail fall. It is very common for light gauge metal items to suffer indentations even when the shingles escape damage. All metal roof accessories were inspected on the subject buildings. Following is an itemized list of metal items and the observations.*

**Clubhouse**

Roof Vents (20)	All indented (+/- 1/2")
Stack Vents (13)	All lightly indented (+/- 1/4")
South Wall Exhaust Vent	Light indentations (+/- 1/4")
Steel Chimney Caps	No indentations
Roof-to-Wall Flashings	Light indentations (+/- 1/4") – West wall only
Gutters	Scattered isolated indentations (+/- 1/4")
Downspouts	One (1) lightly indented (+/- 1/4") – Southeast corner of building
Fascias	Light indentations (+/- 1/2") – West facing only

**1360-1362**

Roof Vents (42)	All indented (+/- 1/2")
Steel Chimney Caps	No indentations
Gutters	No indentations discovered
Downspouts	No indentations discovered
Fascias	Light indentations (+/- 1/2") – West facing only

**1370-1374**

Roof Vents (80)	All indented (+/- 1/2")
Steel Chimney Caps	No indentations
Gutters	No indentations discovered
Downspouts	No indentations discovered
Fascias	Light indentations (+/- 1/2") – West facing only

**1371-1375**

Roof Vents (75)	All indented (+/- 1/2")
Steel Chimney Caps	No indentations
Gutters	No indentations discovered
Downspouts	One (1) lightly indented (+/- 1/4") – South elevation
Fascias	Three (3) lightly indented (+/- 1/4") – West elevation
	Light indentations (+/- 1/2") – West facing only

1380-1384

Roof Vents (82)	All indented (+/- 1/2")
Steel Chimney Caps	No indentations
Gutters	No indentations discovered
Downspouts	None
Fascias	Light indentations (+/- 1/2") – <i>West facing only</i>

**Comments:** Not all gutters were able to be verified for hail indentations.

Mechanical damage was discovered to some of the downspouts at various locations

None of the fascias facing north, south or east revealed hail indentations.

The small and shallow indentations discovered in the soft metals is good supporting evidence that the subject buildings were not hit with hail of great size or force.

**Siding Construction Data**

<b>Siding System:</b>	<b>Type:</b>	Vinyl
	<b>Style:</b>	Standard Horizontal Panel
	<b>Size:</b>	Double 4" Panel
	<b>Texture:</b>	Wood Grain
	<b>Color:</b>	White
<b>Soffits, Fascia, Trim:</b>	Aluminum – White	
<b>Shutters:</b>	NA	

---

**Siding Installation**

<b>General:</b>	Satisfactory
<b>Panels:</b>	Straight/Even
<b>Fastening:</b>	Properly Hung
<b>Transition Details:</b>	Satisfactory
<b>Comments:</b>	None

---

**Siding Condition**

<b>General:</b>	Satisfactory
<b>Missing/Dislodged Panels:</b>	None
<b>Loose Panels:</b>	1 Panel – West wall of Fitness Center
<b>Mechanical Fractures:</b>	None
<b>Past Repairs:</b>	None
<b>Comments:</b>	None

---

**Siding – Hail Damage**

*Hail will not indent vinyl siding. However, large hail may fracture vinyl siding. Fractures may range from fine cracks to complete holes. This requires hail accompanied by strong winds that cause the hail to fall with an angled trajectory. As a result, fractures will be primarily present on only one or two sides of a structure. Swirling winds will sometimes result in incidental damage to the opposite sides of a structure. Fractures are most common on the bottom, leading edge of each panel. Fractures are typically visibly evident; however, some finer cracks require closer examination.*

Siding can also suffer oxidation marks as a result of hail impact. This is generally a result of the hailstones dislodging dirt and discoloration from the surface of the siding. Oxidation marks are not considered to be actual damage, as they will typically fade with time. If necessary, siding can be power washed to eliminate oxidation marks.

The siding on all elevations of the building was closely inspected for fractures that may have been caused by hail impact. The siding was inspected from ground level and from the roof level. The only building that revealed hail impact damage to siding was the Fitness Center. Only four (4) panels on the west elevation were found fractured. All other siding panels on the remaining four (4) buildings were free of visible hail damage. Following are the findings of the inspection:

No visible evidence of oxidation marks was found on any of the siding to indicate hail impact.

---

**Conclusions:**

There is some minor evidence that the subject buildings experienced a hailstorm. However, the evidence suggests that the hail was not particularly large, dense or damaging. Each roof registered less than one (1) hail impact mark per square. A large majority of the test squares uncovered zero (0) legitimate hail impact marks. Only a few of the ridge/hip tabs and valley shingles which tend to be more susceptible to hail impact damage were found impacted by hail. It is our opinion that the hailstorm in question had no measureable effect on the lives of these roofs. Therefore, neither repairs nor replacement of the roof systems for hail damage are necessary or justifiable.

All roof vents on each building were indented because of hail impact. The indentations are strictly cosmetic, not functional. Replacement would only be warranted for aesthetic reasons. However, since they are not readily visible from ground level, aesthetics are a debatable issue.

All the stack vents on the Fitness Center received light indentations as a result of hail impact. Again the damage is aesthetic in nature.

The aluminum fascia materials on each of the buildings that face west were indented because of hail impact. This clearly indicates a storm approaching this area out of the west. Replacement of the fascias would only be warranted for aesthetic reasons.

Only the gutters on the Fitness Center revealed widely scattered light hail indentations in the gutter troughs. None of the other buildings had visible sign of hail impact indentations. Replacement of the gutters is not necessary as they have not lost their ability to function. The dimples in the gutters of the Fitness Center are not readily visible.

The few indented discovered indented as a result of hail impact as indicated above would only warrant replacement for aesthetic reasons as they are readily noticeable from ground level.

As far as hail damage to the siding, only four (4) panels located on the west elevation of the Fitness Center revealed fractures due to apparent hail impact. The siding panels could easily be repaired or replaced. All other siding was free of visible hail damage. Full replacement of the siding is not necessary on any building.

It must be emphasized that the roofs have received numerous repairs in the past. It is assumed that repairs were necessary because of shingles that have become torn, missing or dislodged. Some likely fell apart because they were simply in an advanced state of deterioration, especially around the antennas. Some have clearly become torn or have gone missing in the recent past. However, it is not clear if any were a result of the storm in question. Likely they have continued to sustain damage every time heavy winds are experienced. Our enclosed roof plans shows the locations of currently missing or torn shingles throughout the building inspected. Regardless of the decision of the insurance company, the insured may want to consider planning for replacement of these roofs in the near future to avoid any additional damage which may be sustained.

---

**Closing:**

Following are roof plans of the subject roofs and accompanying photographic records highlighting the issues and concerns discussed in this report. We trust that this roof and siding investigation will prove to be useful towards the settlement of the insured's claim. If you have any questions, or if further information is necessary, please do not hesitate to call our office.

Sincerely,



Bryan Horvath, RRO  
Senior Consultant



Arick Groth, P.E.  
Profession Engineer

BH/jl

Case 16-80238 Doc 115 Filed 04/06/17 Entered 04/06/17 16:48:15 Desc Main Document Page 17 of 21  
**From:** Donna Smith [mailto:DonnaS@howespropertymanagement.com]  
**Sent:** Wednesday, April 5, 2017 2:15 PM  
**To:** Patrick <patrick@hoffmann1.net>  
**Subject:** RE: status update request: bullet points

Patrick – as an fyi, we had a leak in the 1360 building. Hogan Roofing went. They replaced about 10 shingles that were missing and said there was minor damage in unit. The unit belongs to Marguerite Sutton, though, so there may be more damage.

**Donna Smith**

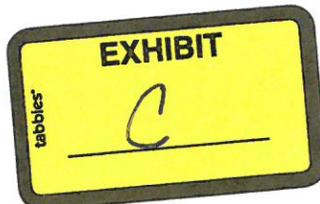
**T:** (800) 901-5431  
**F:** (872) 802-3030  
129 E Calhoun St  
Woodstock, IL 60098

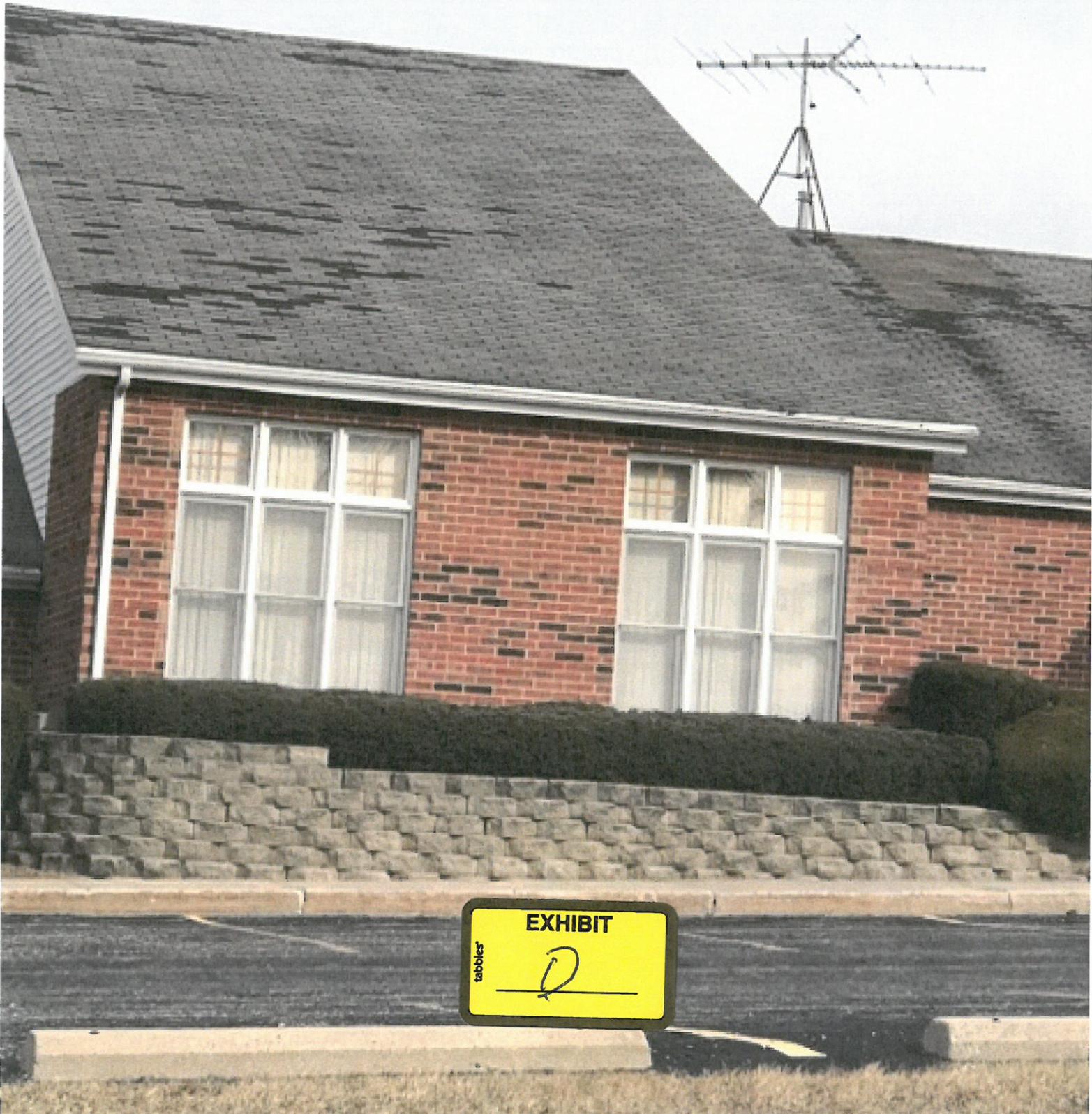
**Donna Smith**

**TEL:** 800-901-5431  
[westwardmanagement.com](http://westwardmanagement.com)



To make a service request, click [here](#).  
To contact customer service, click [here](#).









UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

In Re:	)	BK No. 16-80238
	)	
The Oaks of Prairie Point Condominium Association,	)	Chapter 11
	)	
	)	Honorable Thomas J. Lynch
Debtor.	)	

**ORDER CONCERNING DEBTOR’S MOTION TO USE CASH COLLATERAL TO REPLACE ROOFS AND OTHER RELIEF**

THIS MATTER SET TO BE HEARD on April 19, 2017 on Debtor’s Motion to for Authority to Use Cash Collateral to Replace Roofs and Other Relief, and the Court being fully advised in the premises and having jurisdiction of the subject matter, IT IS HEREBY ORDERED THAT:

1. Debtor’s motion is granted;
2. Debtor may use the cash from the Rockford Bank to replace the roofs pursuant to the estimate received from Hogan Exteriors and as set forth in Debtor’s motion.

ENTER:

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

Dated:\_\_\_\_\_

Prepared By:  
Thomas W. Goedert, Esq. (ARDC #6201228)  
Attorney for: Debtor  
Dommermuth, Cobine, West, Gensler,  
Philipchuck, Corrigan and Bernhard, Ltd.  
111 E. Jefferson Avenue, Suite 200  
Naperville, Illinois 60540  
(630) 355-5800; (630) 355-5976 (f)  
[twg@dbcw.com](mailto:twg@dbcw.com)