

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

BOARD OF MANAGERS OF THE HIDDEN)
LAKE ESTATES CONDOMINIUM)
ASSOCIATION, INC., an Illinois)
not-for-profit corporation,)

Plaintiff,)

vs.)

No. 86 CH 9164)

Capitol Federal Savings and Loan)
Association; Kevin A. Ebel; Peter J.)
Galiardo and Helen Galiardo; First)
City Mortgage Corporation; Palos)
Bank and Trust Company, as trustee)
under Trust No. 1-2234; J. Thompson)
and Arline Thompson; Heritage Bank)
of Oak Lawn; Richard B. Caesar;)
American National Bank and Trust)
Company, as trustee under Trust No.)
56212; Lee J. Korezenecki; Heritage)
Standard Bank and Trust Company;)
Federal National Mortgage Associa-)
tion; Talman Home Federal Savings)
and Loan Association; First State)
Bank and Trust Company; Continental)
Illinois National Bank and Trust)
Company of Chicago; First City)
Mortgage Corporation; Palos Bank)
and Trust Company; Heritage-Glenwood)
Bank; Mid-America Federal Savings)
and Loan Association; Concordia)
Federal Savings and Loan Associa-)
tion; Charles Mallen, as trustee;)
Uptown Federal Savings and Loan)
Association; Chicago Title and Trust)
Company, as trustee; United Savings)
of America; Jack E. Bowers, as)
trustee,)

Defendants.)

JUDGMENT

THIS MATTER coming on to be heard this 30 day of
October, 1987 on the motion of Plaintiff, BOARD OF MANAGERS
("Board") OF THE HIDDEN LAKE ESTATES CONDOMINIUM ASSOCIATION, INC.
("Association"), for Summary Judgment pursuant to the Amended

Complaint for Reformation, Declaratory Judgment and For Other and Further Relief, the parties hereto having been properly served with notice, and the Court being fully advised in the premises;

IT APPEARING TO THE COURT that all defendants herein have been duly and properly served with summons, and that all defendants, except Standard Bank and Trust Company, formerly known as Heritage Standard Bank and Trust Company, have failed to answer or otherwise plead herein and have been duly defaulted; and

IT FURTHER APPEARING TO THE COURT that there is no genuine issue as to any material fact alleged in the Amended Complaint filed herein, and that the plaintiff is entitled to a Judgment in its favor as a matter of law.

THE COURT DOTH FIND:

1. Hidden Lake Estates is a condominium located at 111th Street and Lucas Drive, Palos Hills, Illinois, and the development area of the condominium is legally described as follows:

That part of the West half of the Northwest Quarter of Section 23, Township 37 North, Range 12, East of the Third Principal Meridian lying Northwesterly of the North Reserve Line of the Calumet Feeder Canal and lying Westerly of a 50.00 feet wide strip dedicated for Highway purposes by Document No. 18627365 (excepting from the foregoing described parcel of Real Estate, the North 450.00 feet of the West 600.00 feet thereof).

and

That part of the East half of the Northeast Quarter (except the West 925.01 feet thereof and except the East 224.87 feet of the North 503.00 feet thereof) of Section 22, Township 37 North, Range 12, East of the Third Principal Meridian, lying North of the North Reserve Line of the Calumet Feeder Canal, all in Cook County, Illinois.

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23-22-200-048-1001 to -1018
23-23-100-020
23-22-200-053-1019 to 1029

2. The Condominium was created pursuant to the Declaration of Condominium Ownership ("Declaration"), recorded in the Office of the Recorder of Deeds of Cook County, Illinois on April 29, 1980 as Document No. 25439399, as amended from time to time thereafter.

3. Certain defendants named herein are Unit Owners in the Condominium and members of the Association, and the respective unit ownership of each of the Unit Owners is set forth in Exhibit "A" attached to the Amended Complaint filed herein.

4. Certain defendants named herein are Mortgagees having liens upon certain units in the Condominium, as set forth in Exhibit "A-1" attached to the Amended Complaint filed herein.

5. Hidden Lake Estates is a multistructural development, similar in style and appearance to a townhouse development, in which one or more, but less than all unit owners share a common roof, walls and other structural parts of the building enclosing their units.

6. Section 1(F) of the Declaration defines the term "common elements" as all portions of the Property except the Units, including the land, foundations, walls, roofs and other structural parts of the buildings. Pursuant to Section 12 of the Condominium Property Act of the State of Illinois ("Act") and Section 8.1 of the Declaration, the Board is required to obtain and maintain insurance covering the full insurable replacement cost of the common elements of the Condominium.

7. The cost to the Board of obtaining insurance covering the full insurable replacement cost of the roofs, walls and structural parts of the buildings substantially exceeds the cost to the unit owners of obtaining and maintaining such insurance covering the roof, walls and structural parts of the buildings enclosing their respective units. Additionally, the insurance policies heretofore obtained by the Board covering the structural components of the buildings have been repeatedly cancelled by the issuing companies by reason of the number and amounts of claims for damage to and repair of the structural common elements appurtenant to the respective units. The Unit Owners have an insurable interest in the structures enclosing their units by reason of the fact that the roof, walls and structural components of the buildings exclusively serve and benefit the enclosed units.

8. Section 7(a) of the Declaration provides that membership in the recreation center contained in the Commercial Unit is not limited to the Unit Owners, whereas, the Unit Owners reasonably believed, based upon representations made by the Developer, that membership in the recreation center would be limited to Unit Owners and their designated guests.

9. Section 8(p) of the Declaration limits the authority of the Board to make capital expenditures to the sum of \$1,000.00, and requires approval by 80% of the Unit Owners for all capital expenditures for repair or replacement of the common elements in excess of that amount, which has and will continue to substantially interfere with the proper management of the Association.

10. Section 17 of the Declaration requires unanimous approval by the Unit Owners and Mortgagees for substantive amendments to the Declaration, contrary to the provisions of Section 27(a) of the Act.

11. On July 9, 1986, the Board approved a Resolution ("Board Resolution"), which was duly adopted in accordance with the provisions of the Act and the Declaration, and which provides that the Declaration shall be amended as follows:

(a) The definition of "common elements" contained in Section 1(f) of the Declaration shall be amended so as to exclude the foundations, roofs, walls and structural components of the buildings enclosing one or more but less than all of the Units, and Section 1(g) of the Declaration shall be amended so as to provide that such foundations, roofs, walls and structural components are "limited common elements" appurtenant to the Units in the respective buildings, and that each Unit Owner in the Condominium shall obtain and maintain insurance covering the foundations, roofs, walls and structural components of the building enclosing his Unit, that a copy of the policy of insurance shall be delivered to the Board, and that in the event that any Unit Owner fails to obtain, maintain and furnish such policy, the Board may obtain such insurance coverage, and specially assess the defaulting Unit Owner for the cost thereof;

(b) Section 7(a) of the Declaration shall be amended so as to restrict membership in the recreation center in the Commercial Unit to Unit Owners and their designated guests;

(c) Section 8(p) of the Declaration shall be amended so as to increase the authority of the Board to make capital expenditures from \$1,000.00 to \$3,000.00; and

(d) Section 17 of the Declaration shall be amended so as to adopt the amendment provisions set forth in Section 27 of the Condominium Property Act of the State of Illinois, effective on the date of the order or judgment entered herein.

A true and correct copy of the Board Resolution is attached to Plaintiff's Amended Complaint as Exhibit "C".

12. The Board Resolution was approved and ratified by nineteen (19) Unit Owners, as indicated by Exhibit "A" to the Motion for Summary Judgment filed by the Plaintiff herein, and the remaining Unit Owners and all Mortgagees have been served with summons herein.

13. This Court has jurisdiction over all parties hereto and the subject matter hereof.

IT IS THEREFORE ORDERED that the Board Resolution was duly adopted in accordance with the requirements of the Illinois Not-For-Profit Corporations Act, and is in compliance with the provisions of the Condominium Property Act and the Declaration;

IT IS FURTHER ORDERED that the Board, by adopting the Board Resolution, and specifically by requiring the Unit Owners to obtain and maintain insurance covering the roofs, walls and structural parts of the buildings enclosing their units, has fully discharged and satisfied its fiduciary obligations with respect to such insurance, as provided in Section 12 of the Condominium Property Act and Section 8.1 of the Declaration;

IT IS FURTHER ORDERED that the Declaration be and is hereby reformed and amended, effective as of the date of adoption of the Board Resolution on July 9, 1986, in accordance with the Board Resolution, so as to provide as follows:

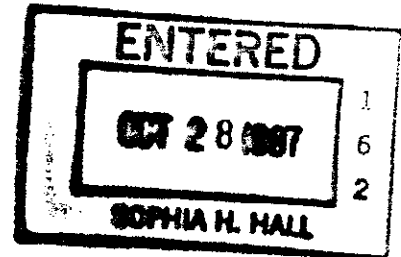
- (a) The definition of "common elements" contained in Section 1(f) of the Declaration shall be amended so as to exclude the roofs, walls and structural components of the buildings enclosing one or more, but less than all of the units.

- (b) Section 1(g) of the Declaration shall be amended so as to provide that the roofs, walls and structural components of the buildings enclosing one or more, but less than all of the units are "limited common elements" appurtenant to the respective units in each building.
- ✓(c) Section 8.1 of the Declaration shall be amended so as to provide that each Unit Owner in the Condominium shall obtain and maintain insurance covering the foundation, roofs, walls and structural components of the building enclosing his unit, that a copy of the policy shall be delivered to the Board, and that in the event that any Unit Owner fails to obtain or maintain such insurance, the Board may obtain such insurance coverage and specially assess the defaulting Unit Owner for the cost thereof.
- (d) Section 7(a) of the Declaration shall be amended so as to restrict membership in the recreation center in the Commercial Unit to Unit Owners and their designated guests.
- (e) Section 8(p) of the Declaration shall be amended so as to increase the authority of the Board to make capital expenditures from \$1,000.00 to \$3,000.00.
- (f) Section 17 of the Declaration shall be amended so as to adopt the amendment provisions contained in Section 27 of the Act, effective as of the date of entry of this Judgment, and specifically so as to provide that the Declaration may hereafter be amended, as provided in

Section 27(a) of the Act, by the affirmative vote of two-thirds (2/3rds) of the Unit Owners voting on the amendment.

IT IS FURTHER ORDERED that there is no just reason for delay of enforcement of or appeal from this Judgment, provided that this Court shall retain jurisdiction for the purpose of enforcing this Judgment.

ENTER: _____



J U D G E

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HARRY "BUS" YOURELL
COOK COUNTY RECORDER

T#2222 TRAN 0339 10/28/87 10:36:00
#B * -87-581413
DEPT-01 RECORDING \$44.40
* AMT DUE * \$44.40
CHECKS TEND. \$44.40
TOTAL TENDERED \$0.00
CHANGE DUE:

THANK YOU