



**TENTATIVE Agenda
President and Board of Trustees
Monday, July 30, 2012
Village Hall
123 Madison Street**

Open Meeting/Special Meeting at 7:00 p.m. The Board is expected to immediately adjourn into Executive Session (Closed Session) in room 130 at approximately 7:00 p.m. and will return to Open Session in Room 101 at 8:00 p.m.

- I. Call to Order
 - II. Roll Call
 - III. Motion to Adjourn to Executive Session to Discuss Collective Bargaining and Litigation in Room 130 at 7:00 p.m.
 - IV. Return to Open Session at 8:00 p.m. in Room 101
-

Instructions for Agenda Public Comment
(3 minutes per person; 3 items per person maximum)

Comments are 3 minutes per person per agenda item, with a maximum of 3 agenda items to which you can speak. In addition, the Village Board permits a maximum of three persons to speak to each side of any one topic that is scheduled for or has been the subject of a public hearing by a designated hearing body. These items are noted with a (*).

- V. Agenda Approval
- VI. Public Comment
- VII. Regular Agenda
 - A. **Presentation and Preliminary Discussion of FY2013 Budget**
Overview: Staff is in process of preparing a draft FY13 budget for presentation to the Finance Committee on August 20, 2012. Tonight staff will be asking the Village Board to provide direction on expectations or general assumptions.
- VIII. Consent Agenda
 - B. **Resolution Authorizing a Subordination of Lien: CDS-497**
Overview: The loan recipient is requesting a subordination of their loan mortgage to a refinanced first mortgage. The Village remains secure in junior position on the title.

C. Resolution Authorizing a Small Rental Properties Rehabilitation Loan: SRP-001

Overview: The purposes of the Small Rental Properties Rehabilitation Loan Program are to address and to correct deteriorated and blighted homes throughout the village, to provide affordable rental housing, and to improve the energy efficiency of small rental properties. The eligible owner of this mixed use property with one rental dwelling unit is requesting a forgivable rehab loan of \$1,552.50 from the village.

IX. Adjourn

For more information regarding Village Board meetings and agendas, please contact the Village Manager's Office at 708.358.5770. If you require assistance to participate in any Village program or activity, contact the ADA Coordinator at 708.358.5430 or e-mail adacoordinator@oak-park.us at least 48 hours before the scheduled activity. Agendas and agenda materials are now available electronically on the village web site. Visit www.oak-park.us mouse-over News, then click on Board Agendas and Minutes.

A

VILLAGE OF OAK PARK
AGENDA ITEM COMMENTARY


Item Title: Preliminary Discussion Regarding the FY2013 Budget

Resolution or Ordinance No. _____

Date of Board Action: *July 30, 2012*


Staff Review:

Interim Village Manager:



Cara Pavlicek

Village Manager's Office:



Item History (Previous Board Review, Related Action, History):

Chapter 2 of the Municipal Code establishes the foundation for the Municipal Budget. Excerpts from Chapter 2 are attached which generally provide for the following:

- The Village fiscal year is January 1 - December 31 annually.
- The Board of Trustees must adopt the annual budget prior to the start of the Fiscal Year and passage of the annual budget shall be in lieu of passage of the appropriation ordinance.
- On or before the Village Board of Trustees' first regular meeting in November of each year, the Village Manager shall submit to the Board of Trustees an annual Municipal budget which contains estimates of revenues together with recommended expenditures in conformity with good fiscal management practice.
- The recommended budget presented by the Village Manager shall show the specific fund from which each anticipated expenditure shall be made.
- The annual budget may contain money set aside for contingency purposes not to exceed ten percent (10%) of the total budget.
- At least one public hearing shall be held by the Board of Trustees on the tentative annual budget prior to final action by the Board of Trustees. Copies of the tentative annual budget shall be made available for public inspection for at least ten (10) days prior to the hearing. After said hearing, the tentative budget may be further revised and passed without further notice, inspection or hearing.

Item Policy Commentary (Key Points, Current Issue, Bid Process, Recommendation):

Village management staff is currently developing the FY2013 revenue projects and expenditures requests for review and consideration.

The purpose of this discussion is to present to the Village Board a broad overview of the upcoming FY2013 budget process via a power point presentation and establish some basic financial parameters to guide the Interim Village Manager and Chief Financial Officer in the development and submission of the FY2013 recommended budget to the Village Board via the Finance Committee on August 20, 2012. The recommended budget will then be reviewed at the Finance Committee level with key elements subsequently presented to the Village Board prior to formal adoption of the recommended budget, as modified by the Board, in November of 2012.

Intergovernmental Cooperation Opportunities (describe if there are opportunities for cost savings or better service with this item by joint participation from other local Oak Park governmental agencies, or regional municipalities):

While the Municipal Budget is focused upon the Village's revenues and expenditures it contains revenues/expenditures related to partnerships that exist via intergovemental cooperation agreements with the five other taxing jurisdictions in Oak Park as well as partnerships with Cook County and adjacent municipalities.

Item Budget Commentary: (Account #; Balance; Cost of contract)

Due to the efforts taken by the Village in recent years to reduce costs and budget spending within our resources, the current financial position is relatively stable. As an overview, the factors that have positively and adversely impacted current financial performance.

Positive factors in the current year related to budget performance:

- Board Member Engagement. The active engagement of the Board of Trustees and its Finance Committee in policy level financial management has helped staff to focus more acutely and address financial management issues.
- Staffing Reductions. As staffing costs comprise 77.5% of the Village's ongoing expenses, the staffing reductions that were instituted in recent years have helped balance resources.

Negative factors in the current year related to budget performance:

- Current Year Revenues. Revenue yields for the current year have been moderate. To date, while strong performance in a number of revenue streams has been observed, proceeds from other revenue streams have been of particular concern. As a result, overall, it is possible revenues will not meet budget in FY2012 and therefore, revenue estimates for FY2013 are not likely to exceed FY2012 projected actuals.
- Pending Collective Bargaining Agreements. The Village is currently in negotiations with more than one collective bargaining unit to determine future compensation adjustments for unionized staff. Also, after multiple years of not providing base salary increases to non-union exempt staff, we are now facing issues of "compression", where hourly wages for some job classes are outpacing the salaries of supervisory staff. The Village has begun to address this issue, by

determining its impact on supervisory recruitment and retention, as well as understanding its impact on Village resources.

- Intergovernmental Revenues. As the State of Illinois continues to reduce revenue to municipalities, while requiring these entities to absorb more state costs, such unfunded mandates further exacerbate the Village's financial position.

The FY2013 budget, consistent with recent years, needs to continue with a conservative and cautious approach to budgeting. In this regard, for the 2013 Budget Year, the recommended budget is being developed with overall expenditures at levels similar to FY2011 actual expenditures. The Interim Village Manager and Chief Financial Officer have consistently communicated the financial realities described herein in meeting with Department directors, program managers and Village partner agencies so that they are aware of this information as they develop funding requests for the coming year. In addition, the Village Board's established goals have been reviewed with the Department Directors and Program Managers for further reference in the development of proposed service plans. A copy of the Board Goals are also attached.

With this information in mind, Department Directors are also aware and understand their stewardship role in both the management of the budget and the identification of services and corresponding funding requests that meet the Village's goals and expectations for the community. New and expanding funding requests need to be clearly identified and based upon professional experience and justified for review by the Budget and Finance Manager, CFO and Interim Village Manager, independent of the base budget request. While new initiatives may be proposed in the recommended FY2013 budget, it is likely that only those requests for new programs and/or positions will be viable if they fall within current funding constraints.

Finally, the Board of Trustees recently reinstated the performance management program. The program will be used to manage and improve Village services within the Village of Oak Park. The improvement of Village services and the efficient use of Village resources are of critical importance for the ongoing success of our community. As such, once the program is in operation in 2013, the performance management program will eventually be aligned with the Village's budget process.

Item Action Options/Alternatives (List the alternative actions; list the positive and negative implications of each; if no alternatives, explain why):

This agenda item is a discussion only.

Proposed Recommended Action: Discussion Only Prior to Preparation of the FY2013 Recommended Budget

Excerpts – Chapter 2 Oak Park Municipal Code

2-4-15: APPROPRIATION, TAX LEVIES AND BUDGET: The Village Manager shall be responsible for the preparation of the annual budget and the annual Appropriation Ordinance in time for consideration and enactment by the Board of Trustees during the first quarter of the fiscal year; and to prepare the Tax Levy Ordinance for passage, and file a certified copy thereof with the County Clerk within the time required by law. (1981 Code)

* * *

2-6-5: ADOPTION OF BUDGET LAW, APPOINTMENT OF BUDGET OFFICER: The Village adopts paragraph 8-2-9.1 through and including paragraph 8-2-9.10 of chapter 24 of the Illinois Revised Statutes, 1979, providing for an annual Municipal budget in lieu of the passage of an annual appropriation ordinance, in accordance with the following provisions:

- A. Fiscal Year: The fiscal year of the Village shall commence on January 1 of each year and close on the last day of December of each year.
- B. Passage of Annual Budget: The annual budget shall be adopted by the Board of Trustees before the beginning of the fiscal year to which it applies. Passage of the annual budget shall be in lieu of passage of the appropriation ordinance heretofore annually enacted. The annual budget shall be published in the manner provided in subsection (G) below.
- C. Budget Officer: There is hereby created the office of Budget Officer. The Budget Officer shall be appointed by the Village Manager and shall perform such duties as are assigned by the Village Manager. (Ord. 1981-0-52, 8-3-81, eff. 8-3-81)
- D. Compilation and Contents of Budget: On or before the Village Board of Trustees' first regular meeting in November of each year, the Village Manager shall submit to the Board of Trustees an annual Municipal budget, such budget to contain estimates of revenues available to the Municipality for the fiscal year for which the budget is drafted, together with recommended expenditures for the Municipality and all of the Municipality's departments, commissions and boards. Revenue estimates and expenditure recommendations shall be presented in a manner which is in conformity with good fiscal management practice. Each budget shall show the specific fund from which each anticipated expenditure shall be made. (Ord. 1982-0-62, 11-1-82)

- E. Funds for Contingency Purposes: The annual budget may contain money set aside for contingency purposes not to exceed ten percent (10%) of the total budget. (Ord. 1981-0-52, 8-3-81, eff. 8-3-81)
- F. Revision of Annual Budget: The Municipal Budget Officer, subject to approval by the Village Manager, may delete, add to, or change items within object classes, provided the budget for the object class is not increased. The Municipal Budget Officer, subject to approval by the Village Manager, may delete, add to, or change items, up to an amount of three thousand dollars (\$3,000.00) between object classes, provided the total fund budget is not increased and the annual aggregate of such transfers does not exceed one percent (1%) of the total fund budget. The corporate authorities, by a vote of two-thirds ($\frac{2}{3}$) of the members then holding office, shall have the authority to revise the budget by transferring monies from one fund to another or adding to any fund. No revision of the annual budget shall be made increasing the budget in the event monies are not available to do so. (Ord. 1989-0-52, 7-5-89)
- G. Public Hearing, Notice and Inspection of Budget: At least one public hearing shall be held by the Board of Trustees on the tentative annual budget prior to final action by the Board of Trustees. Notice of this hearing shall be given by publication in a newspaper having a general circulation in the Village at least ten (10) days prior to the time of the public hearing. Copies of the tentative annual budget shall be made available for public inspection in printed or typewritten form in the office of the Village Clerk for at least ten (10) days prior to the hearing. After said hearing, the tentative budget may be further revised and passed without further notice, inspection or hearing. (Ord. 1981-0-52, 8-3-81, eff. 8-3-81)

BOARD COMMITTEES

Personnel

Finance

Re-Inventing Government

Economic Development

Intergovernmental

SPECIFIC TARGET AREAS

Law

BPS (Building & Property Standards)

HR

Planning & Development

2011/2013 BOARD GOALS & VISION

1. Retail Strategy and Commercial District Vitality
2. Fiscal Responsibility
3. Sustainability (No detail)
4. User-Friendly Village Hall
5. Intergovernmental Cooperation
6. Public Safety
7. Housing & Diversity
8. Infrastructure & Public Works
9. Tourism and the Arts
10. Community Building & Civic Engagement (No detail)
11. Governmental Transparency & Communications
12. Legislative – (No detail)

RETAIL STRATEGY & COMMERCIAL DISTRICT VITALITY

1. Resolution/Complete Direction on Key downtown Parcels
2. Adopt Design & Financing Plan for Madison
3. Decrease Retail Vacancies, Increase Retail/Commercial Tax Revenues & Improve Retail Mix
4. Staff/OPDC Reporting on Progress Against Plans for Each Business District

FISCAL RESPONSIBILITY

1. More Structured Financial Plan for C.I.P. Going Forward
2. Conduct Pension Scenario Evaluation and Adopt Plan
3. Implement 5-yr Budgeting Approach

USER-FRIENDLY VILLAGE HALL

1. Technology Review From a Use Perspective
2. Technology Review From an Operational Perspective
3. Progress/Improvement Re: BPS (Building & Property Standards)
4. Improve Customer Service

INTERGOVERNMENTAL

1. Identify/Improve/Implement X-Jurisdictional Sharing of Services & Equipment (Consistent Process & Specific Examples)
2. Identify Ways to Jointly Address Community Needs
3. Pursue Joint Agreement Regarding Dispute Resolution Procedure
4. Consider Collaboration for E.C.C & Education

PUBLIC SAFETY

1. Improve Communications Re: Crime rates, Tactics, Arrests and Prevention

HOUSING & DIVERSITY

1. Complete Diversity (Housing) Chapter of the Comprehensive Plan

INFRASTRUCTURE & PUBLIC WORKS

1. Charge Finance & ReGo Commute with Review and Updates to C.I.P. Plan by June 2012

TOURISM & THE ARTS

1. Implement Selected Elements of Heritage Tourism Study (Economic Development Committee of Board Work with Oak Park Visitor Bureau for Guidance on What to Pursue)
2. Address % for Art Ordinance
3. Consider/Adopt Plan for Dedicated Public Art Investment Program (Through PAAC work & recommendation)

GOVERNMENT TRANSPARENCY & COMMUNICATIONS

1. Board Open Engagement with Public (Clarify Boards own definition of when to be in closed verses open session)
 - a. Office Hours/ coffee shop assessability
 - b. Board Tables at Farmers' Market
 - c. Block Walks
 - d. Public Forum & Open Discussion (e.g. TIF, Springfield, Planning Development)
 - e. Board Members Speak to
 - f. Message Board on VOP Web Site (Identified)
 - g. Graphical Summary & Presentation of Budget & Finances

VILLAGE OF OAK PARK
AGENDA ITEM COMMENTARY

B

Item Title: Resolution Authorizing Execution of a Subordination of Lien CDS-497

Resolution or Ordinance No. _____

Date of Board Action: July 30, 2012

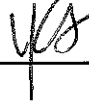
Staff Review:

Department Director Name:



Tammie Grossman

Village Manager's Office:



Item History (Previous Board Review, Related Action, History):

On April 3, 2006, pursuant to the Single Family Housing Rehabilitation Loan Program, the Board of Trustees approved an \$11,303.25 loan to the owners of 415 S Maple Avenue Unit 501. The loan is supported by a mortgage which was recorded against the property. The mortgage was recorded as a second mortgage on the property with the purchase loan mortgage being first.

Loans made under the Single Family Rehab program are deferred for repayment for twenty years or until conveyance or transfer of any interest in the property, whichever occurs first. The guidelines were amended in October. The guidelines provide that in cases where former loan recipients wish to refinance mortgage(s), other than the Village's, and request that the Village maintain its subordinate position, the Village will agree to maintain its junior position if:

- a. The terms of new first mortgage are more advantageous to the homeowner and are reasonable under current market conditions; and
- b. There is adequate equity in the property to support the total proposed encumbrance, at least 10% equity (if necessary, homeowner(s) will submit an appraisal as proof of equity); and
- c. The cost of the refinance is the only allowable equity taken out of the property.

Item Policy Commentary (Key Points, Current Issue, Bid Process, Recommendation):

The homeowners are seeking to replace their current primary mortgage at 6.375% interest rate with a new primary mortgage at 4.25% interest rate. This new loan will provide a fixed rate, 20 year mortgage. The amount of the new loan will be \$45,778.00. The homeowners are not taking any equity out of the property, except for closing costs.

The issuing lender will not make the loan unless that mortgage is the first mortgage lien against the property. The lender is requesting that the Village subordinate its mortgage to their new first mortgage. The Village's mortgage was created as a second mortgage. By

agreeing to subordinate, the Village is agreeing to remain in junior position as a second mortgage.

In this case, the property is appraised at \$145,000. The first mortgage of \$45,778, and the Village's \$11,303.25 mortgage equal total debt of \$57,081.25, leaving 60.6% equity. Staff believes that there is sufficient equity to protect the Village's investment and is recommending the subordination.

The request complies with the Village guidelines requirements; more favorable mortgage terms and no equity being taken out of the property. This refinancing also provides a reduction in the monthly payments. Staff believes that there is sufficient equity to protect the Village's investment and is recommending the subordination.

Intergovernmental Cooperation Opportunities (describe if there are opportunities for cost savings or better service with this item by joint participation from other local Oak Park governmental agencies, or regional municipalities):

This is a normal function of loan portfolio management. No other governmental entities are involved.

Item Budget Commentary: (Account #; Balance; Cost of contract)

The subordination is not a direct cost to the General Fund. Staff time in document preparation, which is a regular part of loan portfolio management, is the only cost.

Item Action Options/Alternatives (List the alternative actions; list the positive and negative implications of each; if no alternatives, explain why):

The alternative would be to deny the subordination request which would result in the homeowner being unable to obtain a new first mortgage, or would require them to repay the Village loan, which would decrease the equity in their home and increase their monthly mortgage payments.

Proposed Recommended Action: Approve the Resolution.

RESOLUTION

AUTHORIZING EXECUTION OF SUBORDINATION OF LIEN

CDS-497

BE IT RESOLVED by the President and Board of Trustees of the Village of Oak Park, Cook County, Illinois, as follows:

SECTION I: Findings

a) The Village of Oak Park allocated funds for rehabilitation loans for privately owned property as part of its Community Development Block Grant Program.

b) The premises at 415 S Maple Avenue, Unit 501 consists of a Condominium dwelling unit owned by Jewan Ganesh and Annette Ganesh hereinafter referred to as "Owner". In April, 2006, said premises were in a substandard condition and in need of rehabilitation.

c) The premises were rehabilitated with proceeds of a loan from Oak Park's Community Development Block Grant. An \$11,303.25 loan was approved by this Board in a Resolution adopted April 3, 2006. Said loan is an interest-free, deferred-payment loan payable in full upon the earliest of the following occurrences or date: the conveyance or transfer of any interest in the subject property by the mortgagor; the conveyance or transfer of any interest in the subject property by the estate of the mortgagor; or April 2, 2026.

d) JP Morgan Chase Bank, N.A. and the Owner are requesting the Village of Oak Park to subordinate its \$11,303.25 mortgage to a new \$45,778.00 first mortgage from JP Morgan Chase Bank, N.A..

e) The Owner meets the three requirements for continued subordination approved by the Village Board in April, 2006: 1) there is adequate equity in the property; 2) the equity being taken out of the property is being put back into the property in the form of home improvement; and, 3) because this loan is a deferred-payment loan, satisfactory performance on the loan over the previous 24 months is not an issue.

SECTION 2: SUBORDINATION OF LIENS AND SUBORDINATION OF INTEREST

That the Village President and Village Clerk are to execute Subordination of Lien subordinating the Village's \$11,303.25 lien against the subject property to the new \$45,778.00 first mortgage made by JP Morgan Chase Bank, N.A. Said Subordination of Lien shall conform substantially to the document attached hereto as Exhibit A.

SECTION 3: ENDORSEMENT OF NOTES

That the Village President is authorized to endorse on the Village's Installment Notes for the subject property, the following recitals:

"This Note for \$11,303.25 is secured by mortgage document #0610254010, dated April 3, 2006, which is junior and subordinate to the lien of that certain Mortgage document dated _____, securing an interest in 415 S Maple Avenue, Unit 501 from _____ to Jewan Ganesh and Annette Ganesh to secure an installment note for \$45,778.00 dated _____."

THIS RESOLUTION SHALL BE in full force and effect from and after its adoption as provided by law.

ADOPTED this 30th day of July, 2012 pursuant to a roll call vote as follows:

AYES:

NAYS:

ABSENT:

APPROVED by me this 30th day of July, 2012.

David G. Pope
Village President

Attest:

Teresa Powell
Village Clerk

Subordination of Lien

WHEREAS, Jewan Ganesh and Annette Ganesh, by Mortgage dated April 3, 2006, and recorded in Office of the Cook County, Illinois Recorder of Deeds on April 12, 2006 as document number 0610254010, conveyed to the Village of Oak Park, to secure an Installment Note for Eleven Thousand Three Hundred Three and 25/100 Dollars (\$11,303.25) with interest payable as therein provided, certain premises in Cook County, Illinois, described as follows:

Unit no. 501 in 415 S. Maple Condominium as delineated on a survey of the following described real estate: Lot 51 and South 40 feet of Lot 46 in Scoville and Niles subdivision of block 5 in Scoville and Niles addition to Oak Park subdivision of the West 40 Acres of the Southwest ¼ of Section 7, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois; which survey is attached as Exhibit 'A' to the declaration of condominium recorded as document 24531453, together with its undivided percentage interest in the common elements, in Cook County, Illinois.

Permanent Real Estate Index Number: 16-07-321-020-1005

Common Address: 415 S Maple Avenue, Unit 501, Oak Park, Illinois 60304

And WHEREAS, Jewan Ganesh and Annette Ganesh, by Mortgage, dated _____, and recorded in the Office of the Cook County Recorder of Deeds as Document _____, did convey to JP Morgan Chase Bank, N.A. the same above described premises to secure an Installment Note for \$45,778.00 with interest, payable as therein provided; and

WHEREAS, the Installment Note secured by the Mortgage first described is held by the Village of Oak Park, an Illinois Municipal Corporation, as sole owner and not as agent for collection, pledge or in trust for any person, firm or corporation; and

WHEREAS, the Village of Oak Park wishes to subordinate its Mortgage lien to JP Morgan Chase Bank, N.A. Mortgage lien recorded as Document No. _____ on _____ in the Office of the Cook County Recorder of Deeds.

NOW THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00) to it in hand paid, the Village of Oak Park hereby covenants and agrees with JP Morgan Chase Bank, N.A. that the Village of Oak Park's Mortgage lien and the Installment Note which it secures, as above described, shall be and remain at all times a second lien upon the above described premises subject to the above described Mortgage lien of JP Morgan Chase Bank, N.A. for all advances made or to be made on the note secured by the JP Morgan Chase Bank, N.A. Mortgage and for all other purposes specified therein.

WITNESS the Village of Oak Park has caused this Subordination to be signed by its duly authorized officer and attested by a Notary Public this 30th day of July, 2012.

ATTEST: _____
Teresa Powell, Village Clerk
VILLAGE OF OAK PARK
BY: _____
TITLE: Interim Village Manager

I, the undersigned, a Notary Public in Cook County, Illinois, do hereby certify that Cara Pavlicek, Interim Village Manager for the Village of Oak Park, personally known to me to be the same person whose name appears above, appeared before me this day in person and acknowledged that he signed, sealed and delivered this document as a free and voluntary act for the uses and purposes set forth herein, on behalf of the Village of Oak Park, being first duly authorized thereon to.

Given my hand and Notarial Seal _____
(Date)

(Notary Public)

Deliver to: Recorder's Office Box No. 321

REVIEWED AND APPROVED
AS TO FORM
JUL 27 2012
[Signature]
LAW DEPARTMENT

NOTE

\$11,303.25

Oak Park, Illinois, April 3, 2006

FOR VALUE RECEIVED, Jewan Ganesh and Annette Ganesh promises to pay to the Village of Oak Park, Illinois the principal sum of ELEVEN THOUSAND THREE HUNDRED THREE AND 25 DOLLARS (\$11,303.25) Dollars and no interest except as follows: The principal shall be payable in full upon the earliest of the following occurrences or date:

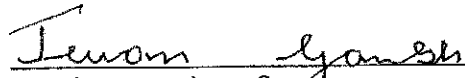
1. The conveyance or transfer of any interest in the following described real estate by the maker or the estate of the maker;
2. April 2, 2026


The principal of each of said installments unless paid when due shall bear interest after maturity at the then highest rate permitted by law or nine percent per annum whichever is greater. Said payments are to be made at such banking house or trust company, as the legal holder of this note may, from time to time, in writing appoint, and in the absence of such appointment, then at the office of the Finance Director, 123 Madison Street, Oak Park, Illinois 60302.

Without the prior written consent of the holder or holders of this note, the maker or makers hereof shall not convey or encumber title to the premises securing the payment hereof. The holder or holders of this note may elect to accelerate the entire unpaid principal balance in the manner hereinafter provided herein for breach of this covenant and no delay in such election after actual or constructive notice of such breach shall be construed as a waiver of or acquiescence in any such conveyance or encumbrance.

The payment of this note is secured by mortgage, bearing even date herewith, on real estate in the County of Cook, Illinois; and it is agreed that at the election of the holder or holders hereof and without notice, the principal sum remaining unpaid hereon, together with accrued interest thereon, shall become at once due and payable at the place of payment aforesaid in case of default in the payment of principal or interest when due in accordance with the terms hereof, or in case the maker or makers hereof shall convey or encumber title to the premises securing the payment hereof without the written consent of the holder or holders, or in case default shall occur and continue for three days (in which event election may be made at any time after the expiration of said three days, without notice) in the performance of any other agreement contained in said mortgage. A violation notice from the Village of Oak Park shall be *prima facie* evidence of a default in the performance of the mortgagor's agreement to keep the premises fully repaired and in compliance with the Code of the Village of Oak Park including the provisions relating to Housing, Building, Zoning, and Fair Housing, as set forth in paragraph 1(17) of the aforementioned mortgage.

All parties hereto severally waive presentment for payment, notice of dishonor, protest and notice of protest.



Jewan Ganesh


Annette Ganesh

ENDORSEMENT

This Note for \$11,303.25 is secured by mortgage document #0610254010, dated April 3, 2006, which is junior and subordinate to the lien of that certain Mortgage document dated _____, securing an interest in 415 S Maple Avenue, Unit 501 from _____ to Jewan Ganesh and Annette Ganesh to secure an installment note for \$45,778.00 dated _____.

Cara Pavlicek
Interim Village Manager

Initial
Jewan Ganesh

Initial
Annette Ganesh

C

VILLAGE OF OAK PARK
AGENDA ITEM COMMENTARY

Item Title: Resolution Awarding a Small Rental Properties Rehabilitation Loan SRP-001

Resolution or Ordinance No. _____

Date of Board Action: July 30, 2012

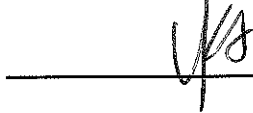
Staff Review:

Department Director Name:



Tammie Grossman

Village Manager's Office:



Citizen Advisory Board or Commission Issue Processing (Dates of Related Commission Meetings):

The Housing Programs Advisory Committee (HPAC) reviewed the application on July 18, 2012 and recommended approval.

Item Policy Commentary (Key Points, Current Issue, Bid Process, Recommendation):

The Housing Programs Division administers the Small Rental Rehabilitation Loan Program, which was established on November 1, 2010 and funded with Community Development Block Grant (CDBG) funds. The program is open to rental buildings with seven or fewer units. The program has two major purposes: (1) upgrade the physical conditions of small rental buildings, (2) expand the housing choices of renters to encourage economic and racial diversity. The program has two types of assistance: (1) Forgivable loans which are limited to \$5,000 per unit; (2) Marketing Services Agreement for the Oak Park Regional Housing Center to affirmatively market the units in the building. In exchange for the forgivable loan funds, owners agree to match the loan funds by at least 25% and to rent at least 51% of their units to households earning below 80% of the Area Median Income (AMI), a household of four would earn below \$60,100 per year.

SRP-001 (114 Madison Street - a 1 unit building). The property owner is requesting a rehab loan under the Small Rental Rehab Program of \$1,552.50 for 2 years to be matched by owner funds of at least 25% of the total retrofit cost. The Small Rental Rehab loan will be used to replace two windows, regrout the bathroom tile, and for minor tuckpointing. Bids were solicited from three contractors and two responded. The low bid was selected.

Staff Commentary (If applicable or different than Commission):

Staff concurs with the HPAC recommendation.

Item Budget Commentary: (Account #; Balance; Cost of contract)

The rehab loan of \$1,552.50 will reduce the remaining budgeted balance of \$95,000.00 to

\$93,447.50. The rehab funds for this program were budgeted under the Community Development Block Grant Fund.

Item Action Options/Alternatives (List the alternative actions; list the positive and negative implications of each; if no alternatives, explain why):

This program utilizes federal funds. The only expense to the Village is staff time for project administration. The program provides benefits to the Village in maintaining and improving our housing stock, promoting diversity, providing affordable rental units. If the funds are not awarded to individual recipients the Village will not meet its goals under these programs.

Proposed Recommended Action:

Approve the Resolution.

Not Yet Approved Minutes of
Regular Meeting
HOUSING PROGRAMS ADVISORY COMMITTEE
Village of Oak Park
July 18, 2012
7:00 pm – Room 215

CALL TO ORDER: The meeting was called to order by Chair Steven Glass at 7:10 pm.

ROLL CALL:

PRESENT: Steven Glass, Patrick Diakite (arrived at 7:38pm), Peggy LaFleur, Tyrell Stewart, Meg Herman

ABSENT: Meredith Morris

TRUSTEE LIASON: Trustee Colette Lueck

CIC LIASON: Charlene Jones-Foster

GUEST: Matt Rogina

STAFF PRESENT: Tammie Grossman, Housing Programs Manager;
Jeff Richardson, Housing Programs Coordinator

REVIEW AND APPROVAL OF MEETING AGENDA: Chair Glass asked if there were any changes to the Agenda. Noting none, Ms. Hermann moved to approve the Agenda as drafted. Agenda approved unanimously.

NON-AGENDA PUBLIC COMMENT: Introductions were made of Matt Rogina, prospective HPAC member and new CIC Liaison, Charlene Jones-Foster

APPROVAL OF MINUTES: A motion was made by Mr. Stewart to approve the minutes of June 20, 2012 as drafted, seconded by Ms. Herman. Approval of the minutes as drafted passed by unanimous voice vote.

Request for a Small Rental Property Rehab Loan, SRP-001: Mr. Richardson presented an over view of the loan request. A motion to approve the loan request was made by Ms. LaFleur and seconded by Ms. Herman.

ROLL CALL VOTE:

Patrick Diakite	Aye
Meg Herman	Aye
Peggy LaFleur	Aye
Meredith Morris	Absent
Tyrell Stewart	Aye
Chair Glass	Aye

Request for a Small Rental Property Rehab Loan, SRP-020: Mr. Richardson presented an over view of the loan request. A motion to approve the loan request was made by Mr. Stewart and seconded by Ms. Herman.

ROLL CALL VOTE:	Patrick Diakite	Aye
	Meg Herman	Aye
	Peggy LaFleur	Aye
	Meredith Morris	Absent
	Tyrell Stewart	Aye
	Chair Glass	Aye

2013 Budget Update: Ms. Grossman presented an overview of the 2013 Budget Process and the staff recommendations. Further discussion will be had about potential guideline changes in the fall of 2013. Ms. Grossman also reported that the Housing Programs Division will be participating in the first group of departments that will be rolling out the new Performance Measurement program.

OTHER BUSINESS: None. The next regular HPAC meeting is set for August 15, 2012.

ADJOURNMENT (voice vote): Meeting adjourned at 8:05 pm.

Respectfully submitted,
Tammie Grossman
Staff Liaison



Loan Summary

The Village of Oak Park
Housing Programs Division
123 Madison Street
Oak Park, Illinois 60302-4272

708.358.5410
Fax 708.358.5114
www.oak-park.us
housing@oak-park.us

Small Rental Property Rehabilitation Program

I. Identification Number: SRP-001

II. Project Cost:	Forgivable Rehab Loan (Fund 83, CDBG Fund)	\$ 1,552.50
	Forgivable Energy Loan (Fund 10, SRP Energy Fund)	\$ 0.00
	Owner Contribution	\$ 517.50
	Total Project Cost	\$ 2,070.00

III. Loan/Mortgage Amount:	\$1,552.50
First Mortgage:	none
Second Mortgage:	none
VOP Mortgage (this loan):	\$1,552.50
Post-Rehab Encumbrance:	\$1,552.50
Estimated Market Value/ Current Market Value:	\$256,820 (Cook County Assessor's estimate)

IV. Obligations

Property Taxes:	Current \$6,084.31 paid 2/29/12 (1 st installment 2011 taxes) verified 7/9/12. 2 nd installment 2011 taxes due 8/1/12.
Water Bill:	Current

V. Housing Code Violations:

A property maintenance inspection noted that the rear walkway was in disrepair. The owner plans to remove that walkway and the garage and install additional parking spaces.

VI. Use of Loan Funds:

The rehab loan will be used to tuckpoint the brick parapet at the southeast corner of the building, to replace two windows in the apartment, and to re-grout the apartment bathroom tile.

VII. Comments:

This is a two-story brick mixed use structure on Madison Street. The first floor is occupied by a retail establishment, and there is one rental apartment on the second floor. The household occupying the rental apartment qualifies as low-income.

Because the total federal funding for this project is below \$5,001, a lead inspection and risk assessment were not required. However, in accordance with EPA and HUD regulations, lead safe work practices will be used for all work which disturbs painted surfaces.



Budget and Bid Evaluation

The Village of Oak Park 708.358.5410
 Housing Programs Division Fax 708.358.5114
 123 Madison Street www.oak-park.us
 Oak Park, Illinois 60302-4272 housing@oak-park.us

Small Rental Property Rehabilitation Loan Program

SRP - 001

Project

John Pullano

Owner

114 Madison St.

Address

Trade	Budget	Bidder #1 Chuck Const	Bidder #2 IDLC Co.	Bidder #3 Phoenix Con.	Bidder #4	Bidder #5
1 - General Requirements	\$ 125.00	\$ -	\$ 350.00	\$ -	\$ -	\$ -
2 - Owner Participation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 - Volunteer Participation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 - Site Work	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 - Demolition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 - Concrete & Paving	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 - Masonry	\$ 2,100.00	\$ 1,240.00	\$ 1,825.00	\$ -	\$ -	\$ -
8 - Metal Work	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 - Environmental Rehab	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 - Carpentry	\$ 1,200.00	\$ 440.00	\$ 850.00	\$ -	\$ -	\$ -
15 - Roofing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16 - Conservation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17 - Drywall & Plaster	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 - Ceramic Tile	\$ 550.00	\$ 390.00	\$ 1,510.00	\$ -	\$ -	\$ -
19 - Paint & Wallpaper	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 - Floor Coverings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 - HVAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22 - Plumbing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23 - Electrical	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24 - Appliances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,975.00	\$ 2,070.00	\$ 4,535.00	\$ -	\$ -	\$ -

RESOLUTION

AWARDING A SMALL RENTAL PROPERTY REHABILITATION LOAN AND AUTHORIZING THE EXECUTION OF A LOAN COMMITMENT AND AGREEMENT

SRP-001

1 Unit

BE IT RESOLVED by the President and Board of Trustees of the Village of Oak Park, Cook County, Illinois, as follows:

SECTION I: Findings

a) The Village of Oak Park has allocated funds in the current program year for loans under the Small Rental Rehabilitation program, which was established on November 1, 2010. The program is open to rental buildings with less than 8 (eight) units. The program has two major purposes: (1) to upgrade the physical condition of small rental buildings and (2) to expand the housing choices of renters to encourage economic and racial diversity. As of August 6, 2012, \$95,000 of those funds were available for such loans.

b) The premises at 114 Madison Street consist of a multi-family dwelling with 1 unit owned by John Pullano, hereinafter referred to as "Owner(s)". The owner(s) requested a loan to perform work in accordance with the Application and Scope of Work, copies of which are on file in the Housing Programs Division. The Housing Programs Advisory Committee has reviewed the Application and Scope of Work and recommend awarding a loan for the purposes stated therein. The Housing Programs Division concurs.

c) The total cost of this project is not expected to exceed a cost of \$2,070, which is the loan amount plus the owner's 3:1 match requirement. Any additional costs will be paid by the owner.

d) The application and property meet all of the guidelines of the Small Rental Rehabilitation Program including adequate equity and eligible repairs.

e) The Owner agrees, as a condition of the forgivable loan, to rent 51% of their units to households earning below 80% of the Area Median Income (AMI) and enter into a Marketing Services Agreement, the terms of which are set forth in the Loan Commitment and Agreement attached hereto as Exhibit III.

SECTION II

That the Village awards a loan in the amount of \$1,552.50 to John Pullano, contingent upon the Owner's execution of a Note, Mortgage and Loan Commitment and Agreement, which loan funds shall be distributed only: 1) upon evidence that work within the approved Scope of Work has been performed on the premises to the extent of the draw; 2) upon receipt of Mechanic's Lien waivers for labor and materials on the premises in the amount of the draw; and 3) upon receipt of proof that the Owner has paid at least twenty five percent of the total amount of the draw for work within the Scope of Work.

SECTION III

The \$1,552.50 loan shall be secured by a junior mortgage recorded against the premises, and evidenced by a Note, which Note and Mortgage shall substantially conform to those attached hereto and made a part hereof as Exhibits I and II.

SECTION IV

That the Village Manager is hereby authorized and directed to execute a Loan Commitment and Agreement SRP-001 with John Pullano, owner of the 1 unit apartment building at 114 Madison Street in Oak Park, conforming substantially to the Loan Commitment and Agreement attached hereto and made a part hereof as Exhibit III.

SECTION V

That the President and the Board of Trustees agree to waive any and all permit fees related to work paid for using Village funds, up to the maximum amount of the grant and owner's matching funds. Prior to obtaining a permit, the owner is required to obtain certification from the Housing Programs Division that the work requested under the permit is in accordance with the approved Scope.

THIS RESOLUTION shall be in full force and effect from and after its adoption and approval as provided by law.

ADOPTED this 30th day of July, 2012 pursuant to a roll call vote as follows:

AYES:

NAYS:

ABSENT:

APPROVED by me this 30th day of July, 2012.

David G. Pope
Village President

ATTEST:

Teresa Powell
Village Clerk

NOTE

SRP-001

\$1,552.50

Oak Park, Illinois July 30, 2012

FOR VALUE RECEIVED, John Pullano ("Owner") promises to pay to the Village of Oak Park (the "Village") the principal sum of One Thousand Five Hundred Fifty-two and 50/100 Dollars and no interest except as follows: The principal and interest shall be payable in full upon the earliest of the following occurrences or date:

1. There shall be no payment of either principal or interest during the term of the Small Rental Rehab Loan Commitment and Agreement identified as Exhibit III of Resolution _____ approved by the President and Board of Trustees of the Village of Oak Park, if the Owner, as described in the Agreement, successfully completes the full two (2) year term of the Agreement, Upon successful completion of the two year term of the Agreement, the Village shall discharge the indebtedness created herein and shall cancel the Note and release any security interest it may have without any payment of principal or interest.
2. In the event that the Owner sells, conveys or transfers his interest in the Premises during the two year term of the Agreement, without the written approval of the President and Board of Trustees of the Village of Oak Park permitting assignment of the rights, duties, obligations and interests under that Agreement to the new owners, the Village, at its option, may demand repayment of the principal and interest.
3. If the Village gives the Owner written notice of default in the performance of any agreement contained in the Agreement or Mortgage, and the Owner fails to cure the default within 7 days of the date of the notice, the Village may elect at any time, to demand repayment of the principal and interest.
4. If there is a change in use of the premises within two (2) years of the expenditure of Community Development Block Grant (CDBG) funds on the project, if the new use does not meet the project eligibility and national objectives of the U.S. Department of Housing and Urban Development's CDBG program; Code of Federal Regulations Title 24 Part 570 the lien with the required 12% interest must be repaid to the Village of Oak Park immediately.

All parties severally waive presentment for payment, notice of dishonor, protest and notice of protest.

Payments are to be made at the office of the Finance Director, 123 Madison Street, Oak Park, Illinois 60302 or such other place as the legal holder of this note may, from time to time, in writing appoint.

Without the prior written consent of the Village of Oak Park, the Owner shall not convey or encumber title to the premises securing the payment hereof.

The Village may elect to accelerate the entire unpaid principal balance as stated above and no delay in such election after actual or constructive notice of such breach shall be construed as a waiver of or acquiescence in any such conveyance, encumbrance or default.

A violation in the Mortgage from the Village of Oak Park shall be prima facie evidence of a default in the performance of the Mortgage to keep the premises fully repaired and in compliance with the Zoning Ordinance of

IMPORTANT – Preserve this note after payment to obtain release of Mortgage

the Village of Oak Park, the Village's Building Code, and the Code of the Village of Oak Park, including without limitation the provisions relating to housing, health, and fair housing.

The payment of this Note is secured by a Mortgage, bearing the same date as this Note, on the following described real estate in the County of Cook, Illinois ("the Premises"):

LOTS 62, 63 AND 64 IN HOUSTON'S SUBDIVISION OF THAT PART LYING SOUTH OF THE WISCONSIN CENTRAL RAILROAD RIGHT OF WAY OF THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 16-08-321-024-0000

Address(es) of Real Estate: 114 Madison Street, Oak Park, Illinois 60302

Date: _____

MORTGAGE

SRP-001

PIN: 16-08-321-024-0000

THIS MORTGAGE is made this 30th day of July, 2012 between John Pullano, herein referred to as "Mortgagors," and The Village of Oak Park, an Illinois municipal corporation, herein referred to as "Mortgagee."

Mortgagors are justly indebted to the Village of Oak Park, the legal holder of a principal promissory note, termed " Note," executed by Mortgagors on the same date as this Mortgage, and made payable to Village of Oak Park and delivered, by which Note Mortgagors promise to pay the principal sum of \$1,552.50 and interest from August 6, 2012 on the balance of principal remaining from time to time unpaid at the rate of Twelve Percent (12%) per annum, or the highest amount allowed by law, whichever is less, except as herein provided as follows:

1. There shall be no payment of either principal or interest during the term of the Small Rental Rehab Loan Commitment and Agreement identified as Exhibit III of Resolution _____ approved by the President and Board of Trustees of the Village of Oak Park. If the "Mortgagor(s)", as described in the Agreement, successfully completes the full two (2) year term of the Agreement, the Village shall discharge the indebtedness created herein and shall cancel the Note and release any security interest it may have without any payment of principal or interest.
2. In the event that the Mortgagor sells, conveys or transfers his interest in the Premises during the two year term of the Agreement, without the written approval of the President and Board of Trustees of the Village of Oak Park permitting assignment of the rights, duties, obligations and interests under that Agreement to the new owners, the Village, at its option, may demand repayment of the principal and interest.
3. If the Village gives the Mortgagor written notice of default in the performance of any agreement contained in the Agreement or Mortgage, and Mortgagor fails to cure the default

EXHIBIT II

within 7 days of the date of the notice, the Village may elect at any time, to demand repayment of the principal and interest.

4. If there is a change in use of the premises within two (2) years of the expenditure of Community Development Block Grant (CDBG) funds on the project, if the new use does not meet the project eligibility and national objectives of the U.S. Department of Housing and Urban Development's CDBG program; Code of Federal Regulations Title 24 Part 570 the lien with the required 12% interest must be repaid to the Village of Oak Park immediately.

All parties severally waive presentment for payment, notice of dishonor, protest and notice of protest.

All payments of principal and interest are to be made payable to the Village of Oak Park and delivered to the Finance Director, 123 Madison St., Oak Park, IL, or at such other place as the Village of Oak Park may, from time to time, in writing appoint.

To secure the payment of the principal sum of money and interest in accordance with the terms, provisions and limitations of the above mentioned Note and of this Mortgage, and the Mortgagors' performance of the covenants and agreements referred to herein, Mortgagors CONVEY AND WARRANT unto the Mortgagee, its successors and assigns, the following described Real Estate and all of their estate, right, title and interest therein in the Village of Oak Park, Cook County, Illinois, to wit:

LOTS 62, 63 AND 64 IN HOUSTON'S SUBDIVISION OF THAT PART LYING SOUTH OF THE WISCONSIN CENTRAL RAILROAD RIGHT OF WAY OF THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

which, with the property hereinafter described, is referred to herein as the "premises":

Permanent Real Estate Index Number(s): 16-08-321-024-0000

Address(es) of Real Estate: 114 Madison Street
Oak Park, Illinois

TOGETHER with all improvements, tenements, easements, and appurtenances thereto belonging, and all rents, issues and profits for so long and during all such times as Mortgagors may be entitled thereto (which rents, issues and profits are pledged primarily and on a parity with said real estate and not secondarily), and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, water, light, power, refrigeration and air conditioning (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, awnings, storm doors and windows, floor coverings, inador beds, stoves and water heaters. All of the foregoing are declared and agreed to be a part of the mortgaged

EXHIBIT II

premises whether physically attached thereto or not. The parties agree that all buildings and additions and all similar or other apparatus, equipment or articles hereafter placed in the premises by Mortgagors or their successors or assigns shall also be part of the mortgaged premises;

TO HAVE AND TO HOLD forever, for the purposes, and upon the uses and trusts herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which rights and benefits Mortgagors do hereby expressly release and waive.

1. Mortgagors shall: (1) keep the premises in good condition and repair, without waste; (2) promptly repair, restore, or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (3) keep the premises free from mechanic's liens or liens in favor of the United States or other liens or claims for lien not expressly subordinated to the lien hereof; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon the premises; (5) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof; (6) make no material alterations in the premises except as required by law or municipal ordinance or as previously consented to in writing by the Mortgagee.
2. Mortgagors shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges against the premises when due, and shall, upon written request, furnish to Mortgagee the original or duplicate receipts therefor. To prevent default hereunder, Mortgagors shall pay in full under protest, in the manner provided by statute, any tax or assessment, which Mortgagors may desire to contest.
3. Mortgagors shall keep and maintain an all risk property insurance policy providing for payment of the cost to replace or repair any property damage or to pay in full the principal and interest on the Note, which insurance shall be issued by companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee for the benefit of the Mortgagee, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to Mortgagee of the note, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the respective dates of expiration.
4. Mortgagors shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof. At the election of the holders of the principal note, and without notice to Mortgagors, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in the principal note or in this Mortgage to the contrary, become due and payable in case default shall occur and continue for three days in the performance of any agreement of the Mortgagors herein contained.
5. When the indebtedness hereby secured shall become due, whether by the terms of the note or by acceleration or otherwise, the holder of the Note or the Mortgagee shall have the right to foreclose the lien hereof and also shall have all other rights provided by the laws of Illinois for the enforcement of a mortgage debt. In any suit to foreclose the lien hereof,

there shall be allowed and included as additional indebtedness in the court order for sale all expenditures and expenses allowed by law, which may be paid or incurred by or on behalf of Mortgagee or holders of the note including but not limited to attorney's fees, court costs, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs and costs (which may be estimated as to items to be expended after entry of the court order) of procuring all such abstracts of title, title searches and examinations, and guarantee policies which may be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such court order the true condition of the title to or the value of the premises. In addition, all expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the rate of twelve per cent per annum, or the maximum amount allowed by law, whichever is less, when paid or incurred by Mortgagee or holders of the note in connection with: (a) any action, suit or proceeding, including but not limited to probate and bankruptcy proceedings, to which either of them shall be a party, either as plaintiff, claimant or defendant, by reasons of this Mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any threatened suit or proceeding which might affect the premises or the security hereof, whether or not actually commenced.

6. The proceeds of any foreclosure sale of the premises shall be distributed in accordance the Illinois Mortgage Foreclosure Law.
7. Upon or at any time after the filing of a complaint to foreclose this Mortgage, the Court in which such complaint is filed may appoint a receiver of the premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagors at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not and the Mortgagee hereunder may be appointed as such receiver by appointment of Mortgagee in possession. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period for redemption, whether there be redemption or not, as well as during any further times when Mortgagors, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) The indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency.

8. No action for the enforcement of the lien of this Mortgage or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the note hereby secured.
9. Mortgagee or the holders of the note shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.
10. Mortgagee has no duty to examine the title, location, existence, or conditions of the premises, nor shall Mortgagee be obligated to record this Mortgage or to exercise any power herein given unless expressly obligated by the terms hereof, nor be liable for any acts or omissions hereunder, except in case of his own gross negligence or misconduct or that of the agents or employees of Mortgagee, and he may require indemnities satisfactory to him before exercising any power herein given.
11. Mortgagee shall release this Mortgage and the lien created thereby by proper instrument upon presentation of satisfactory evidence that all indebtedness secured by this Mortgage has been fully paid; and Mortgagee may execute and deliver a release to and at the request of any person who shall either before or after maturity, produce and exhibit to Mortgagee the principal Note, representing that all indebtedness secured by this Mortgage has been paid, which representation Mortgagee may accept as true without inquiry. Where a release is requested of the Mortgagee and the Mortgagee has never executed a certificate on any document identifying it as the principal note, the Mortgagee may accept as the original Note any note which is presented and which conforms in substance with the description of the Note in this Mortgage and which appears to be executed by the Makers.
12. This Mortgage and all provisions hereof, shall extend to and be binding upon the Mortgagors and all persons claiming under or through Mortgagors, and the word "Mortgagors" when used herein shall include all such persons and all persons at any time liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the principal note, or this Mortgage.
13. The Mortgagor on its behalf and on behalf of each and every person acquiring any interest in or title to the premises subsequent to the date of this Mortgage shall keep the premises fully repaired and in strict compliance with Village of Oak Park zoning ordinances, building code ordinances, and Code of the Village of Oak Park including provisions relating to housing, health, and fair housing.

The name of the record owner is: John Pullano.

Witness the hands and seals of Mortgagors the day and year first above written.

Signature of Mortgagor

Signature of Mortgagor

Printed Name of Mortgagor

Printed Name of Mortgagor

EXHIBIT II

State of Illinois,
County of COOK

I, the undersigned, a Notary Public in and for Cook County, Illinois certify that
_____ and _____

Personally known to me to be the same person(s) whose name appears above, appeared before me
this day in person, and freely and voluntarily subscribed to the foregoing instrument, for the uses
and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal, this ____ day of _____, 20____.

Notary Public

Deliver to Box 321

SMALL RENTAL REHAB LOAN COMMITMENT AND AGREEMENT
 114 MADISON STREET
 1 UNIT

This Agreement entered into this 6th day of August 2012 by and between the Village of Oak Park, a Municipal Corporation (the "Village") and John Pullano by and through his agent (the "Owner(s)") as owner of 114 Madison Street, a multiple family dwelling containing 1 unit within the Village of Oak Park (the "Apartment Building").

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties hereto do mutually agree as follows:

1. The owner(s) has made an application to the Village for a Small Rental Rehabilitation loan in the amount of \$1,552.50, to be used for the following improvements to the Owner's rental property located at 114 Madison Street, Oak Park, County of Cook, State of Illinois.

Improvements: See attached specifications. Which rental property is legally described as:

LOTS 62, 63 AND 64 IN HOUSTON'S SUBDIVISION OF THAT PART LYING SOUTH OF THE WISCONSIN CENTRAL RAILROAD RIGHT OF WAY OF THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. #: 16-08-321-024-0000

2. The Village is desirous of making a rehabilitation loan to the Owner(s) for the construction of the improvements. The Village will place a lien in the form of a Mortgage against all assisted properties for the amount of Community Development Block Grant ("CDBG") loan funds provided to the Property Owner. The Property Owner must abide by all terms of the Mortgage and this Agreement (the Agreement), for two (2) years, known as the Affordability Period. The Affordability Period starts upon the date of final payment of the CDBG contract amount to the Contractor. The final mortgage/lien amount will include all rehabilitation costs (including the incremental increase in costs associated with lead based paint, if applicable and related items) and all soft costs charged to the project. The mortgage will bear no interest and the lien in the full amount of CDBG assistance provided will be discharged if the owner satisfies all terms and conditions of the Mortgage and this Agreement for the full length of the Affordability Period. If the Owner does not satisfy the terms and conditions of the Mortgage and this Agreement during the Affordability Period, the Owner will be required to repay the entire lien amount with

12% required interest.

3. If the property is sold prior to the end of the Affordability Period, the lien with the required 12% interest must be repaid to the Village of Oak Park. The Village may waive this requirement if the new Property Owner agrees to continue to abide by the terms of this Agreement for the remainder of the Affordability Period. This arrangement must be agreed upon in writing by all interested parties prior to the sale of the property.
4. If there is a change in use of the acquired real estate within two (2) years of the expenditure of CDBG funds on the project, if the new use does not meet the project eligibility and national objective requirements of the U.S. Department of Housing and Urban Development's CDBG program; Code of Federal Regulations Title 24, Part 570 the lien with the required 12% interest must be repaid to the Village of Oak Park immediately.
5. The Village will agree to subordinate its mortgage only for refinancing of debt from existing mortgages for rate and/or term improvement. The Village will only agree to subordinate its mortgage if the new mortgage does not include any new debt, with the exception of closing costs and fees. Subordinations must be approved by the Village Board of Trustees.
6. During the term of the affordability period described above, the Property Owner agrees that 1 unit will be rented to tenants with household income at or below 80% of the Area Median Income for Cook County published by HUD. Property Owners must provide each Tenant Household a copy of the appropriate EPA/HUD lead paint booklet prior to the Tenant signing a lease. The Tenant must sign an acknowledgement letter indicating that they have received the booklet.
7. The maximum contract rent charged for income restricted units cannot exceed the most current Fair Market Rent limits published by HUD for the Chicago-Naperville-Joliet, IL area depending on the income level of the applicant. This applies to units with tenants in place at the time of rehabilitation and for vacant or newly created units at the time of initial occupancy. Property Owners and their immediate families are not eligible to rent the restricted units.
8. If rents charged by the Owner prior to the submission of the application were less than maximum allowable rents under the program, the Owner may not increase rents on occupied units, regardless of Tenant Household income, from the pre-rehab rent for a minimum of one year after rehabilitation has been completed.
9. The Property Owner must submit all Village of Oak Park/HUD required documentation, along with a copy of the lease, to the Housing Programs Division for review at least 5 days prior to entering into a lease agreement with a prospective Tenant Household. This applies only at initial occupancy of units that are newly created or for existing units that were vacant at the time of rehabilitation.

10. A Property Owner must make reasonable accommodations in rules, policies, practices, or services when accommodations may be necessary to afford a person with a disability equal opportunity to use and enjoy residential real property. The Property Owner shall not refuse to permit, at the expense of the person with a disability, reasonable modifications of existing premises occupied or to be occupied by the person with a disability, if that modification may be necessary to afford that person full enjoyment of the premises. Reasonable modifications may include things such as handrails and modified countertops. The person with the disability may be required to return the premises to its original condition upon vacating the premises.
11. During the affordability period, property owners are required to make a good faith effort to affirmatively market the units in their building with the cooperation and assistance of the Village of Oak Park and its designated Marketing Agent, the Oak Park Regional Housing Center. The Village shall promptly provide its agent with an executed copy of the Agreement. Property Owners are required to list all vacancies with the Village's Marketing Agent. The Village's Marketing Agent will waive all fees to the building owner for their marketing services. The Owner will remain responsible for credit checks, security deposit procedures, and the final determination of renting to all tenants. All tenant applications will be taken and processed in the order in which they are received consistent with Federal, State and Local Fair Housing Laws. Any Fair Housing Complaints will be referred to the Housing Programs Manager and the Director of Community Relations.
12. The Village agrees to save and hold harmless, protect and defend the Owner, its employees, servants, successors and other agents, from any and all costs, losses, suits for damage or other relief, damages, rights, claims, demands or actions resulting from or in any way arising out of the actions or operations of the Owner or its agents in approving or carrying out or fulfilling the terms of this Agreement as it relates to the use of the Village's Marketing Agent, except for all willful misconduct of the Owner or its agent, and to pay all costs of any involvement in any litigation or administrative proceedings or other legal actions based in whole or in part on the Village's "Incentives Ordinance" or the Owner's status as a party to this Agreement.
13. The indemnity provided in Section 12 above is contingent upon the Owner agreeing that the Village shall have control over litigation, administrative proceeding or other legal action, including the selection of attorneys and any settlement of any claim, suit or legal action as the Village deems expedient, provided that the Village shall not be authorized to make any admissions of wrongdoing or illegal activity on behalf of the Owner, nor to enter any plea in a criminal or quasi-criminal case on behalf of the Owner without its express prior written approval. Nothing in this Agreement shall prevent the Village or the Owner from submitting any legal action for defense and/or indemnification to any insurance carrier.
14. All provisions of this Agreement requiring the Village to save and hold harmless, defend the Owner, its employees, servants, successors and other agents, and to pay

all costs of involvements in legal actions regarding the Owner's participation in this Agreement shall survive any termination of this Agreement and, if the Owner or its employees, servants, successors or other agents is or becomes involved in any proceeding or litigation by reason of the Owner having been a party to this Agreement, such provisions shall apply as if this Agreement were still in effect.

NOW, THEREFORE, in consideration of the mutual promises contained herein, it is agreed as follows:

The Village will make a rehabilitation loan to the property owner(s) for the completion of the improvements on the subject property subject to the following terms and conditions:

a) All of the construction and improvements shall be based on contracts with such contractors and in such form as approved by the Village. The Property Owner and selected Contractor will be required to obtain all appropriate work permits from the Department of Building and Property Standards. The Village of Oak Park will waive permit fees for work that falls within the approved Scope of Work up to the approved total project cost. Prior to obtaining any permit, the property owner and/or contractor will obtain a certification from the Housing Programs Division that the work falls within the approved Scope of Work.

b) Upon approval of the contracts and contractors the Village will disburse the funds directly to the contractors, subcontractors and material men upon presentation of Contractor's Sworn Statements and Waivers of Mechanic's and Material men's Liens in such forms as are satisfactory to the Village, upon the Owner's written authorization and upon an inspection of the work satisfactory to the Village. The Owner's funds committed to the project (if any) shall be disbursed prior to disbursement of any Village funds. Any Village funds committed to this project but not disbursed shall revert to the Village.

c) The Village will pay the contractor on a cost reimbursement basis. For the duration of the project, contractors may make multiple payment requests to the Housing Programs Division. The Village will retain 20% of the total amount requested from each interim payment request. The Village of Oak Park will not provide "advance" money or authorize payment for items which are not completed or properly installed with the exception of "rough-in" installations of plumbing, electrical or mechanical systems. Upon completion of the improvements, the Village will inspect the contractor's work. After the property passes its final inspection and the Village receives the contractor's signed waiver of lien, the Village will make the final payment to the contractor.

d) The Owner(s) shall at all times while any sums hereunder remain unpaid maintain hazard insurance on the subject property in an amount which is at least 80% of the property's current market value and shall ensure the Village's interest in the property in the amount of \$1,552.50. A policy insuring the Village's interest must be maintained in full force and effect throughout the full term of the loan. A copy of said policy must be provided to the Village prior to disbursement of any funds.

e) To secure repayment of the loan, the Village shall record a mortgage conforming substantially to the attached Mortgage and Note with the Recorder of Deeds to reflect the Village's interest in the property.

f) The loan amount shall include a contingency to cover any unforeseen conditions. If the entire approved amount of the rehab loan including the contingency amount is not used, an Amendment to Mortgage and Amended Note shall be prepared and executed to reflect the actual amount expended on rehab.

g) Payment under any contract signed in connection with this loan is contingent upon loan approval by the Village of Oak Park Board of Trustees and/or the Village Manager.

h) Written notices required under this Agreement shall be to the Village Manager at 123 Madison Street, Oak Park, Illinois 60302, in the case of the Village and to John Pullano, 803 Robert Drive, Mt Prospect, Illinois 60056, in the case of the Owner.

i) All obligations of the Owner hereunder, if signed by more than one individual, will be joint and several.

OWNER
114 Madison Street

BY _____ Date: _____

BY _____ Date: _____

VILLAGE OF OAK PARK

BY _____ Date: _____
Cara Pavlicek
Interim Village Manager

ATTEST:

Teresa Powell
Village Clerk

REVIEWED AND APPROVED
AS TO FORM

JUL 27 2012

James M. Bond
VILLAGE DEPUTY CLERK

Oak Park Model Lease Addendum

Address 114 MADISON STREET

Unit Number _____

Term of the Lease

1. **LANDLORD'S DUTY TO MAINTAIN** Landlord, at all times during the term of the lease, shall maintain the premises in substantial compliance with all applicable provisions of the Oak Park Housing Code and Municipal Code and shall promptly make any and all repairs necessary to fulfill this obligation.
2. **NOTICE OF CODE VIOLATIONS** Landlord agrees to provide to tenant in writing at the time of entering into this Lease, or at any time subsequent, a list of any code violations in litigation affecting the dwelling and common areas. The Landlord shall not, however, be required to provide the Tenant with a list of code violations, which are not in litigation. The tenant may request and obtain from the Village, without interference or objection from the landlord, a list of any code violations, which have been cited by the Village of Oak Park during the previous 12 months for the tenant's dwelling unit.
3. **NOTICE OF UTILITY SHUT-OFFS** The landlord agrees not to remove any legally posted notice of intent by any utility provider to terminate water, gas, electrical or other utility service to the apartment or common areas caused by the landlord's actions. Landlord shall also promptly disclose any information requested by a tenant as to the type of service to be terminated, the intended date of termination, and whether the termination will affect the apartment, the common areas or both.
4. **LOCK-OUT PROHIBITED** Landlord, or any person acting at landlord's direction is prohibited from knowingly ousting or dispossessing or threatening or attempting to oust or dispossess tenant from the apartment without authority of law by plugging, changing, adding or removing any lock or latching device, or by blocking any entrance, removing any door or window, interfering with the services to the apartment (including electricity, gas, hot or cold water, plumbing, heat or telephone service), or by removing tenant's personal property, removing or incapacitating appliances or fixtures (except for making necessary repairs), or by use of threat of force, violence or injury to tenant's person or property, or by any act rendering the apartment or any part thereof or any personal property located therein inaccessible or uninhabitable.

A lockout is not where (1) landlord acts in compliance with the laws of Illinois to forcible entry and detainer and engages the Sheriff of Cook County to forcibly evict tenant and tenant's property; or (2) landlord acts in compliance with the laws of the State of Illinois pertaining to distress for rent; or (3) landlord interferes temporarily with possession only as necessary to make needed repairs or inspections provided by law, or (4) tenant has abandoned the dwelling unit.
5. **RETURN OF SECURITY DEPOSIT IN APARTMENT BUILDING WITH 4 OR MORE UNITS** With regard to lease agreements entered into on or after June 1, 1990, the landlord shall, within 45 days after the date that tenant vacated the apartment, return to tenant the security deposit or any balance thereof and the required interest thereon; provided however, that landlord may deduct from the security deposit and interest due thereon for the following:
 - A. any unpaid rent; and/or
 - B. a reasonable amount necessary to repair any damage caused to the premises by tenant or any person under tenant's control or on the premises with tenant's consent, reasonable wear and tear excluded.

In the case of such damage, landlord shall deliver or mail to the last know address of tenant within 30 days an itemized statement of the damages caused to the premises and the estimated or actual cost for repairing each item on that statement, attaching copies of the paid receipts for the repair and replacement. If the estimated cost is given, landlord shall furnish tenant with copies of paid receipts or a certification, if the work was performed by landlord's employees, within 30 days from the date the statement showing the estimated cost was furnished to tenant.
6. **INTEREST ON SECURITY DEPOSIT IN APARTMENT BUILDING WITH 4 OR MORE UNITS** As of December 6, 1993, interest shall be computed at a rate equal to the interest paid by the state's largest commercial bank, as measured by its total assets, on minimum deposit passbook savings accounts as of December 31 of the calendar year immediately preceding the inception of the rental agreement.

7. **LANDLORD PROHIBITED FROM WAIVING LIABILITY FOR DAMAGES CAUSED BY NEGLIGENT ACTS OF LANDLORD, AGENT, SERVANTS, EMPLOYEES IN A LEASE** The parties agree that nothing contained in this Lease Agreement shall be construed by either party as a waiver of the landlord's liability for damages caused by the negligent acts of the landlord or the landlord's agents, servants or employees.

8. **RETALIATORY CONDUCT BY LANDLORD PROHIBITED** Landlord may not knowingly terminate this lease, increase rent, decrease services, bring or threaten to bring a lawsuit against tenant for possession or refuse to renew this lease because the tenant has in good faith complained of code violations applicable to the premises to a government agency, elected representative, or a public official charged with responsibility for code enforcement.

9. **TENANT'S DUTY TO TAKE REASONABLE STEPS TO KEEP DWELLING UNIT IN A SAFE AND SANITARY CONDITION** Tenant, at all times during the term of the lease, shall take all reasonable steps to keep that part of the dwelling, dwelling unit, rooming unit, yards, courts, garages, fences and accessory structures which the tenant occupies or over which has exclusive possession, and right of control in a safe and sanitary condition, clear and free from any accumulation of dirt, filth, junk, rubbish, garbage, stagnant water or similar matter, from vermin or rodent infestation and from materials or conditions of maintenance which tend to encourage or support such infestation or such accumulations and keep all plumbing, heating and ventilation fixtures therein in a clean and sanitary condition and shall be responsible for the exercise or reasonable care in the proper use and operation thereof, and in a safe and proper operation of all electrical fixtures and convenience outlets in such dwelling unit.

The parties agree to request an inspection by the appropriate Village inspector, (Health, Fire, Building, Housing or Animal Control) whenever a dispute or question arises as to either party's maintenance or operational responsibilities under the provisions of the Village's codes. The initial request for an inspection may be made by calling the Village Hall at 708-358-5440 and requesting the appropriate department.

10. **OVERNIGHT PARKING** Except in areas specifically designated by the Village for on-street overnight permit parking, night parking is prohibited on all Village streets from 2:30 am to 6:00 am. The tenant is responsible for providing a legal parking space for tenant's vehicle during those hours to the extent such parking is not provided by the landlord. The tenant may contact the Village permit office at 358-PARK for assistance in this regard.

11. **PETS** The Village requires a current license and rabies inoculation for (a) all dogs and (b) all cats, which are allowed to run at large. It shall be unlawful for an owner to permit a dog, except on a leash controlled by the owner or any other responsible person authorized by the owner, to use or be upon any public street, sidewalk, parkway, public area or unenclosed premises within the Village. No leash shall be longer than eight feet (8') in length. The owner of every animal shall be responsible for removal and any sanitary disposition of any excreta deposited by his animal(s) anywhere in the Village. When accompanying the animal outside his premises, he shall have on his person suitable means for the removal of such excreta.

No person shall keep or permit more than one cat (if allowed to run at larger) or two cats (who are not allowed out-of-doors) and one dog in any unit of a multi-family residence within the Village.

12. **NOTICE OF PESTICIDE APPLICATION** In accordance with Section 20-10-4B of the Oak Park Village Code, whenever pesticides are to be applied by a commercial applicator indoors in a residential building containing one or more residential rental or condominium units, the applicator shall notify the occupants by placing markers or other notice on the front and rear entrances to the residential portions of such buildings at least two days prior to the application. Whenever pesticides are to be applied in individual rental or condominium dwelling units in a residential building, commercial and non-commercial applicators shall provide notice to the occupant by mail or by placing the notice under the door of such unit at least two days prior to the application. The marker or notice for the front and rear entrances and the individual unit shall be the same and shall include the statement: "Warning-Pesticide Application" and shall state the date of the application and phone number, along with the words "For Further Information." Detailed information on the pesticide application shall be available through the posted phone number prior to the date of application.

13. **TENANT'S HANDBOOK** The Oak Park Tenant's Handbook is available to tenants free of charge in the Community Relations Division located in the Village Hall at 123 Madison Street, 708-358-5423. The handbook is an aid to new tenants in acclimating them to life in the Village. The handbook describes general landlord and tenant rights and responsibilities, while acquainting tenants with laws which are unique to Oak Park, including the Human Rights Ordinance, the Housing Code and on-street parking ban. It also provides directories, maps and lists of government, community and civic organizations.

(Landlord) Date

(Tenant) Date

(Tenant) Date

**EXHIBIT III
APPENDIX A**