

SMALL RENTAL REHAB LOAN COMMITMENT AND AGREEMENT
108-110 HARRISON STREET

This Agreement entered into this 20th day of April 2015 by and between the Village of Oak Park, a Municipal Corporation (the "Village") and Elizabeth Ester (the "Owner(s)") as owner of 108-110 Harrison Street, a multiple family dwelling containing 4 units 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 \$20,000, to be used for certain improvements to the Owner's rental property located at 108-110 Harrison Street, Oak Park, County of Cook, State of Illinois, which rental property is legally described as:

WEST 40 (40) FEET OF LOT FOURTEEN (14); WEST FORTY (40) FEET OF LOT FIFTEEN (15) IN THE SUBDIVISION OF BLOCK SIX (6) OF JAMES B. HOBBS SUBDIVISION OF PART OF THE SOUTHEAST QUARTER (1/4) OF THE NORTHWEST QUARTER (1/4) OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. #: 16-17-129-036-0000

Improvements: Specifications on file in the Neighborhood Services Division.

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 3 unit(s) 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 Neighborhood Services 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 and CDBG 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 Permit Processing Division. 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 Neighborhood Services 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 Neighborhood Services 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 \$20,000. 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 may 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 Elizabeth Ester, 108-110 Harrison Street, 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.

Elizabeth Ester
108-110 Harrison Street

BY _____ Date: _____

BY _____ Date: _____

VILLAGE OF OAK PARK

BY _____ Date: _____
Cara Pavlicek
Village Manager

ATTEST:

Teresa Powell
Village Clerk