



**A g e n d a**  
**President and Board of Trustees**  
**Monday, July 23, 2012**  
**Village Hall**  
**123 Madison Street**

Special Meeting at 7:00 p.m. in Room 101

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- I. Call to Order
  - II. Roll Call
  - III. Agenda Approval
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**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 (\*).

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- IV. Public Comment
- V. Regular Agenda
  - A. **Update on the Village's Performance Management Program (15 min)**  
**Overview:** This will be a verbal report on the status of the program for the Village Board.
- VI. Consent Agenda
  - B. **Resolution Authorizing a Subordination of Lien: BPIP-070**  
**Overview:** the grant recipient is requesting a subordination of their Barrie Park Investment Program Loan mortgage to a new first mortgage. The Village remains secure in junior position on the title.
  - C. **Resolution Authorizing Execution of an Amended Trust Deed and Amended Note to Extend the Due Date for Rehabilitation Loan: CDS-314**  
**Overview:** The homeowner received a deferred payment loan in the amount of \$22,000.00 from the Village in 1992. The homeowner is requesting that the Village extend the due date to July 20, 2013 to make arrangements to repay the Village.
  - D. **Resolution Authorizing a Subordination of Lien, BPIP-028**  
**Overview:** The grant recipient is requesting a subordination of their Barrie Park Investment Program Loan mortgage to a new first mortgage. Staff recommends approving the subordination.

**VII. Motion to Adjourn to Executive Session in Room 130 to Discuss Collective Bargaining and Pending Litigation.**

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](mailto: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](http://www.oak-park.us) mouse-over News, then click on Board Agendas and Minutes.

B

**VILLAGE OF OAK PARK**  
**AGENDA ITEM COMMENTARY**

**Item Title: Resolution Authorizing a Subordination of Lien, BPIP-070,  
(1111 S Taylor Avenue)**

**Resolution or Ordinance No.** \_\_\_\_\_

**Date of Board Action:** July 23, 2012

**Staff Review:**

**Department Director Name:** \_\_\_\_\_



Tammie Grossman

**Village Manager's Office:** \_\_\_\_\_



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

On November 21, 2005, pursuant to the Barrie Park Investment Program, the Board of Trustees approved a \$15,000 loan to the owners of 1111 S Taylor Avenue. 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 Barrie Park program are deferred for repayment until conveyance or transfer of any interest in the property. The guidelines were amended in September 2008 to clarify under what circumstances requests for subordination will be granted. 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 15% 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):**

Seguin Services, the owners of 1111 S Taylor Avenue, are seeking to refinance the mortgages on 40 of their community assisted living homes in order to obtain more favorable financing terms. These terms include reducing the interest rates on a number of these properties from 6.25% to 4.25%. Seguin Services will not be taking any equity out of the property. They intend to continue using this property as a community assisted living home.

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.

Staff is recommending approving 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 owner being unable to obtain a new first mortgage, or would require them to repay the Village loan, which would decrease the equity in the home and increase their monthly mortgage payments.

**Proposed Recommended Action: Approve the Motion**

**RESOLUTION  
AUTHORIZING SUBORDINATION  
OF LIEN ON PROPERTY LOCATED AT  
1111 South Taylor Avenue**

**Whereas**, the Village of Oak Park's Barrie Park Investment Program authorized the Village to make grants and loans to owners of property in the Barrie Park neighborhood for purposes of rehabilitating their properties and improving the Village's housing stock; and

**Whereas**, Barrie Park loans are interest-free, deferred-payment loans payable in full upon the earlier of the conveyance or transfer of any interest in the subject property by the mortgagor; or the conveyance or transfer of any interest in the subject property by the estate of the mortgagor and are supported by a Note and a Mortgage which is recorded against the property; and

**Whereas**, the Village awarded a Fifteen Thousand (\$15,000) loan to Seguin Services as the owners of 1111 South Taylor Avenue pursuant to the Barrie Park Investment Program; and

**Whereas**, Seguin Services entered into a Note for \$15,000 dated November 21, 2005; and

**Whereas**, the Village recorded the mortgage with the Cook County Recorder of Deeds; and

**Whereas**, at the time the mortgage was recorded, it was a second mortgage against the property; and

**Whereas**, Seguin Services have applied and been conditionally approved for a new primary mortgage with PNC, NA.; and

**Whereas** PNC, NA. is conditioning the approval on being the first mortgage against the property; and

**Whereas**, the Village specifically finds that for its mortgage to remain second is consistent with the goals of the Barrie Park Investment Program.

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

**SECTION 1: FINDINGS:**

The above stated recitals shall be incorporated herein as findings of fact.

**SECTION 2:**

The Village Manager is authorized and directed to execute a Subordination of Lien for the purposes set forth in the Findings. Said Subordination shall conform substantially to the Subordination attached hereto as Exhibit A.

**SECTION 3:**

The Village Manager is authorized and directed to endorse the Village's Note for the subject property with the following recital: "This Note in the amount of \$15,000 is secured by a Mortgage which is junior and subordinate to the lien of that certain Mortgage document dated \_\_\_\_\_ from PNC, NA.

**SECTION 4:**

This Resolution shall be in full force and effect from and after its passage and adoption as provided by law.

ADOPTED this 23rd day of July, 2012 pursuant to a roll call vote as follows:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

APPROVED by me this 23rd day of July, 2012.

\_\_\_\_\_  
David G. Pope  
Village President

Attest:

\_\_\_\_\_  
Teresa Powell  
Village Clerk

PIN: 16-17-320-025-0000

## Subordination of Lien

WHEREAS, Seguin Services, by Mortgage dated November 21, 2005, and recorded in Office of the Cook County, Illinois Recorder of Deeds on February 15, 2006 as document number 0604654004, conveyed to the Village of Oak Park, to secure an Installment Note for Fifteen Thousand Dollars and No/100 Dollars (\$15,000.00) with interest payable as therein provided, certain premises in Cook County, Illinois, described as follows:

Lots 5 and 6 in Block 12 in Austin Park, being a Subdivision of the East 1/2 of the Southwest 1/4 of Section 17, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois

Permanent Real Estate Index Number: 16-17-320-025-0000

Common Address: 1111 South Taylor Avenue Oak Park, Illinois 60304

And WHEREAS, Seguin Services by Mortgage, dated \_\_\_\_\_, and recorded in the Office of the Cook County Recorder of Deeds as Document \_\_\_\_\_, did convey to PNC, NA. the same above described premises to secure an Installment Note, 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 the PNC, NA. 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 PNC, NA. 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 PNC, NA. for all advances made or to be made on the note secured by the PNC, NA. 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 23rd day of July, 2012.

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

I, the undersigned, a Notary Public in Cook County, Illinois, do hereby certify that David Pope, Village President 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)


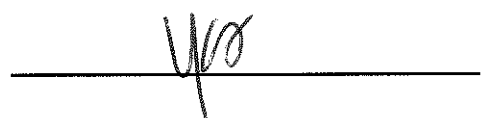
Deliver to: Recorder's Office Box No. 321

C

VILLAGE OF OAK PARK  
AGENDA ITEM COMMENTARY

**Item Title: Authorizing Execution of an Amended Trust Deed and Amended Note To Extend Due Date For Rehabilitation Loan CDS-314**

Resolution or Ordinance No. \_\_\_\_\_  
Date of Board Action: July 23, 2012

Staff Review:  
Department Director Name:   
Tammie Grossman  
Village Manager's Office: 

**Item History (Previous Board Review, Related Action, History):**  
Using CDBG funding, the Single-Family Housing Rehabilitation Program makes loans to low-and-very low-income owner/occupants single-family properties to correct documented or potential code violations and deficiencies, and to make general property improvements. On July 20, 1992, the Village of Oak Park gave the homeowner a deferred payment loan in the amount of \$22,000.00 for repairs to her property. The loan was due and payable on July 20, 2012. The loan bears zero interest, unless not paid when due, in which case, interest is payable at the highest rate permitted by law.  
  
On July 9, 2012, the homeowner requested that the Village extend the due date of her loan to July 20, 2013. The homeowner intends to use the additional time to clear up items on her credit report so that she can pay off the loan from the Village.

**Item Policy Commentary (Key Points, Current Issue, Bid Process, Recommendation):**  
Staff recommends that the Village extend the due date of the mortgage to July 20, 2013 and waive the payment of interest, provided the full amount is paid on that date.

**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 program uses CDBG Funding. There are no other opportunities for participation from other agencies.

**Item Budget Commentary: (Account #; Balance; Cost of contract)**  
Proceeds from the loan will be deposited into Fund 20, the CDBG Revolving Loan Fund. Since the funds will be deposited in 2013, they will be available for use in 2013 and should not impact future loans.



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

The homeowner is unable to repay the loan at this time. If additional time is not granted, the homeowner would be in default and the loan would begin to accrue interest at the highest rate permitted by law. The Village's options for collection would be to foreclose on the property or to attempt to collect the principal and interest at such time as the property changes title.

**Proposed Recommended Action: Approve the Motion**

## **RESOLUTION**

### **AUTHORIZING EXECUTION OF AN AMENDED TRUST DEED AND AMENDED NOTE TO EXTEND DUE DATE FOR REHABILITATION LOAN**

CDS-314

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) On July 20, 1992, the Village of Oak Park approved a loan in the amount of \$22,000.00 to Elizabeth L. Najera to improve her single family residence located at 844 Highland Avenue in Oak Park. The loan was due on July 20, 2012.
- b) The loan was supported by a Trust Deed and Note, which provide that the loan bears zero interest unless the Principal Sum is not paid when due.
- c) On July 9, 2012, the homeowner requested an extension of the due date on the loan to July 20, 2013.

#### **SECTION II:**

- a) That the Trust Deed and Note will be amended to extend the date by which the Principal Sum is due to July 20, 2013.
- b) That the Village Manager is authorized and directed to execute an Amended Trust Deed and Amended Note with the Owner to reflect the new due date.
- c) That the Village Board waives the payment of any interest due on the original Trust Deed provided the Principal Sum is paid in accordance with the terms of the Amended Trust Deed and Amended Note.

#### **SECTION III:**

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

ADOPTED this 23rd day of July, 2012.

AYES:

NAYS:

ABSENT:

APPROVED by me this 23rd day of July, 2012.

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David G. Pope  
Village President

ATTEST:

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Teresa Powell  
Village Clerk

**AMENDMENT TO  
TRUST DEED**

**Recorded as Document No  
92597354**

PIN: 16-17-126-019-0000

THIS Amendment to Trust Deed is made this 23rd day of July, 2012, by Elizabeth L. Najera, herein referred to as "Mortgagor," and The Village of Oak Park, a municipal corporation herein referred to as "Mortgagee," witnesseth:

**AMENDMENT TO TRUST DEED**

**Whereas**, on July 20, 1992, Elizabeth L. Najera, Mortgagor, and the Village of Oak Park, an Illinois Municipal Corporation, Mortgagee, entered into a Trust Deed which was recorded on August 12, 1992 in the Office of the Cook County Recorder of Deeds as Document No. 92597354 ("the Original Trust Deed"); and

**Whereas**, the Original Trust Deed was entered into and recorded to secure Mortgagor's debt to Mortgagee, created by a Note signed by Mortgagor on July 20, 1992 in the amount of \$22,000.00 and due on July 20, 2012; and

**Whereas**, the Mortgagor and Mortgagee have amended the Note to reflect that the debt is due on July 20, 2013.

**Now Therefore**, the Mortgagor and the Mortgagee agree to amend the Original Trust Deed to also reflect the due date of July 20, 2013 for the debt secured by the Note. To Wit:

**I.** The second paragraph of the Original Trust Deed is amended to state:

THAT, WHEREAS the Mortgagors are justly indebted to the legal holder or holders of the Note hereinafter described, said legal holder or holders being referred to as Holders of the Note, in the principal sum of TWENTY-TWO THOUSAND AND NO/100 (\$22,000.00) Dollars, evidenced by one certain Note of the Mortgagor of even date herewith, made payable to The Village of Oak Park and delivered, in and by which said Note the Mortgagors promise to pay the said principal sum, no interest except as herein provided 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 mortgagor;

2. The conveyance or transfer of any interest in the following described real estate by the estate of the mortgagor;
3. July 20, 2013;

provided that the principal unless paid when due shall bear interest at the then highest rate permitted by law and all of said principal and interest being made payable at such banking house or trust company as the holders of the note may, from time to time, in writing appoint, and in absence of such appointment, then at the office of the Finance Director, 123 Madison Street, Oak Park, Illinois 60302, or in case of default shall occur and continue for three days in the performance of any other agreement contained in this Mortgage (in which event election may be made at any time without notice), and that all parties thereto severally waive presentment for payment, notice of dishonor, protest and notice of protest.

**II.** The remainder of the mortgage terms shall stay the same as in the Original Trust Deed.

The South 26.85 Feet of Lot 7 in Henry C. Wilson's Resubdivision of Lots 18 to 29 in Wilson's Subdivision of the West 1/2 of the Southeast 1/4 of the Southwest 1/4 of the Northwest 1/4 (except the East 3.5 feet thereof) in Section 17, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Real Estate Index Number(s): 16-17-126-019-0000

Address(es) of Real Estate: 844 Highland Avenue  
Oak Park, Illinois 60304

The name of a record owner is: Elizabeth L. Najera

**Elizabeth L. Najera**

\_\_\_\_\_ Dated: \_\_\_\_\_, 2012  
By: Elizabeth L. Najera

**VILLAGE OF OAK PARK**

\_\_\_\_\_ Dated: \_\_\_\_\_, 2012  
By: Cara Pavlicek  
Interim Village Manager

\_\_\_\_\_(Seal) \_\_\_\_\_(Seal)

\_\_\_\_\_

State of Illinois, County of Cook ss., I, the undersigned, a Notary Public in and for said County

in the State aforesaid, **DO HEREBY CERTIFY** that \_\_\_\_\_

\_\_\_\_\_

Personally known to me to be the same persons whose name Elizabeth L. Najera subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right homestead.

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 2012

Commission expires \_\_\_\_\_ 20\_\_\_\_

Notary Public

# AMENDED NOTE

\$22,000.00

Oak Park, Illinois, July 23, 2012

FOR VALUE RECEIVED, Elizabeth L. Najera promises to pay to the Village of Oak Park, Illinois the principal sum of Twenty-Two Thousand and No/100 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. July 20, 2013

The principal unless paid when due shall bear interest after maturity at the then highest rate permitted by law. The payment is 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 Village of Oak Park, Finance Director, 123 Madison Street, Oak Park, Illinois 60302.

Without the prior written consent of the Village of Oak Park, 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 herein provided 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 trust deed, 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 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 trust deed. 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 the trust deed.

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

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Elizabeth L. Najera

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IMPORTANT - Preserve this note after payment to obtain release of the Trust Deed.

D

VILLAGE OF OAK PARK  
AGENDA ITEM COMMENTARY

Item Title: Resolution Authorizing a Subordination of Lien, BPIP-028,  
(37-39 Garfield Street)

Resolution or Ordinance No. \_\_\_\_\_

Date of Board Action: July 23, 2012

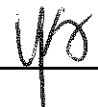
Staff Review:

Department Director Name:



Tammie Grossman

Village Manager's Office:



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

On November 15, 2004, pursuant to the Barrie Park Investment Program, the Board of Trustees approved a \$15,000 loan to the owners of 37-39 Garfield Street. 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 Barrie Park program are deferred for repayment until conveyance or transfer of any interest in the property. The guidelines were amended in September 2008 to clarify under what circumstances requests for subordination will be granted. 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 15% 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 5.75% interest rate with a new primary mortgage at 4.75% interest rate. This new loan will provide a fixed rate, 30 year mortgage. The amount of the new loan will be \$361,300.00. 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 \$325,000.00. The first mortgage of \$350,227.00, and the Village's \$15,000 mortgage equal total debt of \$365,227.00, leaving 0% equity. While there is no equity in the property, the refinancing will reduce the interest rate and monthly mortgage payments by \$262.84 which combined will place the owner in a better financial position.

The request complies with two of the three Village subordination requirements. Although, the equity requirement is not met, staff is still recommending the subordination because the homeowner's monthly payments are being significantly reduced. The homeowner is refinancing through the Federal Making Home Affordable's Home Affordable Refinance Program (HARP). Under HARP, homeowners whose equity values have declined are able to secure a new, more affordable, more stable mortgage. HARP refinance loans require a loan application and underwriting process, and refinance fees will apply. The reduction of the homeowner's monthly payments by \$262.84 will allow the homeowner to remain in the Village and not default in the terms of their mortgage. The Village interest is more likely to be protected by the homeowner remaining in their home.

**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, and face a possible default of their mortgage.

**Proposed Recommended Action: Approve the Motion**

**RESOLUTION  
AUTHORIZING SUBORDINATION  
OF LIEN ON PROPERTY LOCATED AT  
37-39 Garfield Street**

**Whereas**, the Village of Oak Park's Barrie Park Investment Program authorized the Village to make grants and loans to owners of property in the Barrie Park neighborhood for purposes of rehabilitating their properties and improving the Village's housing stock; and

**Whereas**, Barrie Park loans are interest-free, deferred-payment loans payable in full upon the earlier of the conveyance or transfer of any interest in the subject property by the mortgagor; or the conveyance or transfer of any interest in the subject property by the estate of the mortgagor and are supported by a Note and a Mortgage which is recorded against the property; and

**Whereas**, the Village awarded a Fifteen Thousand (\$15,000) loan to Luigi Ribaldo and Josephine L. Ribaldo as the owners of 37-39 Garfield Street pursuant to the Barrie Park Investment Program; and

**Whereas**, Luigi Ribaldo and Josephine L. Ribaldo entered into a Note for \$15,000 dated November 15, 2004; and

**Whereas**, the Village recorded the mortgage with the Cook County Recorder of Deeds; and

**Whereas**, at the time the mortgage was recorded, it was a second mortgage against the property; and

**Whereas**, Luigi Ribaldo and Josephine L. Ribaldo have applied and been conditionally approved for a new primary mortgage with CMG Mortgage, Inc; and

**Whereas** CMG Mortgage, Inc is conditioning the approval on being the first mortgage against the property; and

**Whereas**, the Village specifically finds that for its mortgage to remain second is consistent with the goals of the Barrie Park Investment Program.

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

**SECTION 1: FINDINGS:**

The above stated recitals shall be incorporated herein as findings of fact.

**SECTION 2:**

The Village Manager is authorized and directed to execute a Subordination of Lien for the purposes set forth in the Findings. Said Subordination shall conform substantially to the Subordination attached hereto as Exhibit A.

**SECTION 3:**

The Village Manager is authorized and directed to endorse the Village's Note for the subject property with the following recital: "This Note in the amount of \$15,000 is secured by a Mortgage which is junior and subordinate to the lien of that certain Mortgage document dated \_\_\_\_\_ from CMG Mortgage, Inc.

**SECTION 4:**

This Resolution shall be in full force and effect from and after its passage and adoption as provided by law.

ADOPTED this 23rd day of July, 2012 pursuant to a roll call vote as follows:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

APPROVED by me this 23rd day of July, 2012.

\_\_\_\_\_  
David G. Pope  
Village President

Attest:

\_\_\_\_\_  
Teresa Powell  
Village Clerk

PIN: 16-17-314-004-0000

## Subordination of Lien

WHEREAS, Luigi Ribaldo and Josephine L. Ribaldo, by Mortgage dated November 15, 2004, and recorded in Office of the Cook County, Illinois Recorder of Deeds on January 4, 2005 as document number 0500448174, conveyed to the Village of Oak Park, to secure an Installment Note for Fifteen Thousand and No/100 Dollars (\$15,000.00) with interest payable as therein provided, certain premises in Cook County, Illinois, described as follows:

Lot 5 and 6 in Block 7 in Austin Park, being a Subdivision of the East 1/2 of the Southwest 1/4 of Section 17, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois

Permanent Real Estate Index Number: 16-17-314-004-0000

Common Address: 37-39 Garfield Street Oak Park, Illinois 60304

And WHEREAS, Luigi Ribaldo and Josephine L. Ribaldo, by Mortgage, dated \_\_\_\_\_, and recorded in the Office of the Cook County Recorder of Deeds as Document \_\_\_\_\_, did convey to CMG Mortgage, Inc the same above described premises to secure an Installment Note for \$ 361,300.00 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 the CMG Mortgage, Inc 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 CMG Mortgage, Inc 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 CMG Mortgage, Inc for all advances made or to be made on the note secured by the CMG Mortgage, Inc 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 23rd day of July, 2012.

ATTEST:

VILLAGE OF OAK PARK

BY: \_\_\_\_\_

\_\_\_\_\_  
Teresa Powell, Village Clerk

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

# AMENDED NOTE

\$15,000.00

Oak Park, Illinois, July 23, 2012

FOR VALUE RECEIVED, Luigi Ribaldo and Josephine L. Ribaldo promises to pay to the Village of Oak Park, Illinois the principal sum of FIFTEEN THOUSAND AND 00/100 DOLLARS (\$15,000.00) Dollars and no interest except as follows: The principal shall be payable in full upon the earliest of the following occurrences or date:

The conveyance or transfer of any interest in the following described real estate by the mortgagor or by the estate of the maker;

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.

This Note in the amount of \$15,000 is secured by a Mortgage which is junior and subordinate to the lien of that certain Mortgage document dated \_\_\_\_\_ from CMG Mortgage, Inc

\_\_\_\_\_  
Luigi Ribaldo

\_\_\_\_\_  
Josephine L. Ribaldo

IMPORTANT - Preserve this note after payment to obtain release of Mortgage.

Exhibit B