



Administration Resolution

To: Mayor and Board of Trustees

From: Peter Vadopalas

For Village Board Meeting of: August 27, 2018

Subject: Purchase of Real Estate - 516 S. Lake Street

Financial Impact:

Attachments:

1. Exhibit A - 516 S. Lake Street Management Agreement (PDF)
-

Motion

Motion to Adopt a Resolution Authorizing the Mayor to Execute a Property Management Agreement between the Village of Mundelein and DJAK Properties, LLC regarding the Property Located at 516 South Lake Street.

Comments

RESOLUTION NO. (ID # 3262)

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PROPERTY MANAGEMENT AGREEMENT BETWEEN THE VILLAGE OF MUNDELEIN AND DJAK PROPERTIES, LLC REGARDING PROPERTY LOCATED AT 516 SOUTH LAKE STREET

WHEREAS, the Village of Mundelein (“the Village”) has entered into a real estate contract with DJAK Properties, LLC (“DJAK”) to purchase certain real estate located at 516 S. Lake Street, Mundelein, Illinois (“the Property”); and

WHEREAS, the Property is improved with an apartment building containing 16 units; and

WHEREAS, DJAK Properties, LLC currently owns and manages the Property; and

WHEREAS, the closing on the property is scheduled to take place on August 31, 2018;

WHEREAS, the Village desires to have DJAK continue to manage the property following the closing as set forth in the Property Management Agreement attached as **Exhibit A**; and

WHEREAS, DJAK desires to continue to manage the Property following the closing.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees that the Mayor is hereby authorized to enter into the Property Management Agreement on behalf of the Village of Mundelein.

PASSED this 27th day of August 2018 by a roll call vote.

President

PASSED: August 27, 2018

APPROVED: August 27, 2018

ATTEST: _____
Village Clerk

Property Management Agreement
Between the Village of Mundelein and DJAK Properties, LLC

WHEREAS, the Village of Mundelein (“the Village”) has entered into a real estate contract with DJAK Properties, LLC (“DJAK”) to purchase certain real estate located at 516 S. Lake Street, Mundelein, Illinois (“the Property”); and

WHEREAS, the Property is improved with an apartment building containing 16 units; and

WHEREAS, DJAK Properties, LLC currently manages the Property; and

WHEREAS, the closing on the property is scheduled to take place on August 31, 2018; and

WHEREAS, the Village desires to have DJAK continue to manage the property following the closing as set forth below; and

WHEREAS, DJAK desires to continue to manage the Property following the closing.

THEREFORE, IT IS HEREBY AGREED BETWEEN THE PARTIES, AS FOLLOWS:

The Village of Mundelein hereby appoints and authorizes DJAK Properties, LLC to manage the Property until such time as all tenants have permanently vacated the apartment building.

Property Management Responsibilities

1. DJAK shall be responsible for invoicing all tenants for rent, as set forth in the current leases which exist at the date of closing, and collection of rent.
2. DJAK shall be responsible for ongoing general maintenance of the building and grounds, including the mowing of the lawn every two weeks, as warranted. DJAK may contract with its current snow plowing contractor to provide snow plow services for the Property.
3. DJAK shall be responsible for all communication with existing tenants, payment for certain services and utilities as described later in this Agreement, and accounting and monthly reporting of all costs and income.

Insurance:

The Village shall obtain all necessary insurance coverage on the Property as of date of closing. DJAK may terminate its existing property damage and premise liability insurance as of midnight on the closing date, but shall obtain or maintain its general business liability insurance.

Utilities:

1. The Village shall transfer all water, gas, and electric accounts for the common areas in its name as of the day of closing.
2. Interim utilities on vacant apartments will be paid by DJAK and subsequently billed to the Village on a monthly basis.
3. Garbage services will be paid and maintained by DJAK and subsequently billed back to the Village on a monthly basis, original invoices will be furnished by DJAK.

Maintenance Fees:

1. DJAK will be paid \$35.00 an hour for general maintenance duties and shall submit time slips and/or invoices for services performed under this Agreement.
2. If an independent contractor is required for maintenance or repair issues beyond the expertise of DJAK, then DJAK will promptly forward such cost estimates to the Village for prior approval.
3. DJAK shall report all maintenance costs, along with supporting documentation to the Village on a monthly basis.
4. Prior to performing any maintenance or repair task that is reasonably estimated to exceed \$250.00 in cost, DJAK will obtain prior authorization to proceed from the Village.

General:

DJAK shall send a letter to the current residing tenants, subject to the Village's approval, immediately after closing advising the tenants of a change in ownership.

Management Fees:

DJAK shall be paid a management fee of 20% of all gross rents collected of all occupied apartments at the beginning of each month. DJAK shall provide rent rolls to the Village on a monthly basis to make the above determination.

Management Policies for Collection of Rent:

1. Tenants who are delinquent in their rent by at least 15 days will be served with a 5-day notice.
2. If rent is not received promptly after a 5 day notice is served, DJAK may recommend eviction to the Village, and Village may approve recommended eviction action. The Village shall bear all costs and fees associated with eviction action.

- 3. DJAK has the right to collect any outstanding rents/ late fees as which are due and owing prior to the closing. DJAK shall provide rent rolls to the Village to support such claims for rent and/or fees.
- 4. Payment of monthly income will be made to the Village via check from DJAK, along with a current statement of revenues and costs on a monthly basis.

Contact Information

DJAK Property Manager: Dave Muntz
Phone: 847-344-0902

Peter Vadopalas will be the designated contact at the Village:
Phone: 847-949-3223
Mobile: 847-643-6521
E-mail: pvadopalas@mundelein.org

Building & Property maintenance matters:
Paul Schafernak, Facility Maintenance Superintendent
Phone: 847-949-3278

Termination

This Agreement terminates upon the date that the Property is confirmed to be 100% vacant. This Agreement may be terminated prior to the date of 100% vacancy of the Property by (1) mutual agreement between the Village and DJAK, or (2) the discretion of the Village upon 30 days written notice to DJAK.

Signed on behalf of Village of Mundelein

Signed in behalf of DJAK

Date

Date

Attachment: Exhibit A - 516 S. Lake Street Management Agreement (3262 : Purchase of Real Estate - 516 S. Lake Street)