

# UNOFFICIAL COPY



Doc#: 1204742036 Fee: \$94.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 02/18/2012 09:17 AM Pg: 1 of 29

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This document prepared by  
Eva Garrett, Esq.  
Mercy Portfolio Services  
120 S. LaSalle, Suite 1850  
Chicago, Illinois 60603  
and when recorded return to:

Sweta Shah, Esq.  
City of Chicago Department of Law  
City Hall, Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

6034-52 South Prairie Avenue  
PIN: 20-15-309-020-0000 and  
20-15-309-021-0000

## SECOND AMENDMENT OF DOCUMENTS

This Second Amendment of Documents (this "Amendment") is made and entered into as of January 19, 2012 by and between Mercy Portfolio Services, a Colorado non-profit corporation ("MPS"), MPS Community I, LLC, an Illinois limited liability company ("MPS LLC"), 6034 Building LLC, an Illinois limited liability company ("6034 Building"), Chicago Title Land Trust Company, not personally but as Trustee (the "Trustee") under that certain Trust Agreement dated October 31, 2011 and known as Trust Number 8002358101 of which 6034 Building is the sole beneficiary (the "Land Trust") (collectively, 6034 Building and the Trustee are hereinafter referred to as the "Developer"), and the City of Chicago, an Illinois municipal corporation acting by and through its Department of Housing and Economic Development (the "City") (collectively, the "Parties").

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## WITNESSETH

**WHEREAS**, the City has or will receive certain funds in the approximate amount of \$55,238,017 and of \$98,008,384 (collectively, the "Program Funds") from the United States Department of Housing and Urban Development ("HUD") pursuant to the provisions of the Housing and Economic Recovery Act of 2008, Public Law 110-289 – July 30, 2008, Title III – Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes, Section 2301 *et seq.*, as the same may be hereafter amended, restated or supplemented from time to time and the American Recovery and Reinvestment Act of 2009, H.R. 1, as the same may be further amended and supplemented from time to time (collectively, the "Act"); and any regulations promulgated by HUD to implement the Act, including, but not limited to the Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Developers under the Housing and Economic Recovery Act, 2008 issued by HUD and found at the Federal Register/Vol. 73, No. 194/Monday, October 6, 2008/Notices, as the same may be hereafter amended, restated or supplemented from time to time; the Notice of Fund Availability for the Neighborhood Stabilization Program 2 ("NOFA") under the Recovery Act (Docket No. FR-5321-N-01, May 4, 2009), the Notices of Fund Availability for Fiscal year 2009 NSP2 Program under the Recovery Act, Correction (Docket No. FR-5321-C-02, June 11, 2009; Docket No. FR-5321-C-03, November 9, 2009, Docket No. FR 5321-C-04, and Docket No. FR-5321-N-04); and the HUD regulations at 24 CFR Part 570 (as modified by the NOFA as now in effect and as may be amended from time to time) (collectively, the "Regulations"); and

**WHEREAS**, the City submitted to HUD, and HUD has approved, the City's Substantial Amendment application to HUD and an NSP2 application to HUD governing the City's use of the Program Funds in a neighborhood stabilization program (the "Program") in accordance with the Act and the Regulations to address the critical impact of increasing numbers of foreclosed properties within the City of Chicago. Pursuant to such approval, the City and HUD have entered into that certain Grant Agreement dated effective as of March 27, 2009 and that certain Funding Approval and Grant Agreement signed on February 11, 2010 (collectively the "HUD Grant Agreement"). The Act, the Regulations, and the HUD Grant Agreement are collectively referred to herein as the "NSP Legal Requirements"); and

**WHEREAS**, the City and MPS have entered into that certain Agreement Between The City of Chicago and Mercy Portfolio Services For Neighborhood Stabilization Program dated June 30, 2009 and that certain Agreement Between The City of Chicago and Mercy Portfolio Services For Neighborhood Stabilization Program 2 dated as of July 1, 2010 (collectively, the "Subgrant Agreement"), pursuant to which the City has agreed to make Program Funds available to MPS for Eligible Activities subject to the terms and conditions of the Subgrant Agreement; and

**WHEREAS**, MPS agreed to provide Program Funds in the form of a loan in the principal amount of \$2,926,830 (the "Loan") to MPS LLC in connection with the acquisition, and

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rehabilitation of certain property as legally described on Exhibit A hereto and hereby made a part hereof (the "Property"); and

**WHEREAS**, the City, MPS and MPS LLC entered into that certain Redevelopment Agreement in connection with the redevelopment of the Property dated as of August 18, 2011 (the "Redevelopment Agreement"), as amended by the Assignment (as hereinafter defined); and

**WHEREAS**, the City, MPS and MPS LLC entered into that certain Regulatory Agreement dated as of August 18, 2011 (the "Regulatory Agreement") as amended by the Assignment (as hereinafter defined), in connection with the operation of the Property; and

**WHEREAS**, MPS LLC executed a certain promissory note (the "Note") in favor of MPS in the original principal amount of \$2,926,830 dated as of August 18, 2011; and

**WHEREAS**, the Note is secured by the following documents:

- A. A Mortgage, Security Agreement and Financing Statement dated as of August 18, 2011 (the "Mortgage") made by MPS LLC in favor of MPS in connection with the Property;
- B. An Assignment of Rents and Leases dated as of August 18, 2011 made by the MPS LLC in favor of MPS in connection with the Property (the "Assignment of Rents"); and

**WHEREAS**, MPS assigned the Note, along with the documents securing the Loan evidenced by the Note, to the City pursuant to that certain Assignment of Mortgage and Documents dated as of August 18, 2011 (the "Assignment of Mortgage"); and

**WHEREAS**, the Note, the Redevelopment Agreement, the Regulatory Agreement, the Mortgage, the Assignment of Rents, and the Assignment of Mortgage shall be hereinafter referred to as the "Documents;" and

**WHEREAS**, the City, MPS, MPS LLC and 6034 Building entered into that certain Assignment, Assumption and Amendment of Documents dated as of August 18, 2011 (the "Assignment"), whereby MPS LLC assigned to 6034 Building all of MPS LLC's rights and obligations under the Documents and concurrently therewith conveyed to 6034 Building by special warranty deed all of MPS LLC's right, title and interest in the Property; and

**WHEREAS**, the Mortgage, the Redevelopment Agreement, the Regulatory Agreement, the Assignment of Rents, and the Assignment of Mortgage were each recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on August 19, 2011; and the Assignment was recorded in the Recorder's Office on August 23, 2011; and

**WHEREAS**, the City is the present, sole legal and equitable owner and holder of the Note; and

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**WHEREAS,** the Trustee holds legal title to the Property and 6034 Building holds equitable title to the Property; and

**WHEREAS,** the Assignment contemplates that on or before October 31, 2011 (the "Original Effective Date") 6034 Building would secure construction financing for the rehabilitation of the Property and permanent financing to refinance the Property upon completion of rehabilitation of the Property; and

**WHEREAS,** pursuant to a side letter agreement between MPS and 6034 Building dated January 9, 2012 the Original Effective Date was extended to January 20, 2012 (the "Amended Effective Date"); and

**WHEREAS,** 6034 Building has secured rehabilitation and permanent financing by the Amended Effective Date; and

**WHEREAS,** the Assignment remains in full force and effect, except as otherwise amended by this Amendment; and

**WHEREAS,** the Parties now desire to execute this Amendment to amend the Documents and the Assignment to reflect the current intent of the Parties as set forth herein. In the event of a conflict between the Documents and this Amendment or a conflict between the Assignment and this Amendment, this Amendment shall control and prevail.

**NOW THEREFORE,** in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The above recitals are hereby incorporated into the Documents as if fully set forth herein.
2. The Assignment is hereby amended by deleting Section 5 in its entirety and replacing it with the words "[intentionally omitted]."
3. Any and all references to the original principal amount of the Loan and/or the Note stated in any of the Documents as "\$2,926,830" are hereby deleted in their entirety and replaced with "\$5,129,881."
4. Recital M of the Redevelopment Agreement is hereby amended by deleting the reference to "a to-be-identified lender" and replacing it with "Community Investment Corporation."
5. Section 6(D) of the Redevelopment Agreement is hereby amended by deleting the following sentence : "If an NSP Property is conveyed to a Participating Entity for rehabilitation, such Participating Entity shall, concurrently with such conveyance, execute and deliver to the City separate reconveyance deeds for the NSP Property conveying such NSP Property both (i) to the City, and, in the alternative, (ii) to MPS LLC," and replacing it with the following sentence: "If an NSP Property is conveyed to a Participating Entity for rehabilitation, the Chicago Title Land Trust shall execute and deliver a reconveyance trustee's deed in favor

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of such Participating Entity, and the Participating Entity shall, concurrently with such conveyance, execute and deliver to the City separate reconveyance deeds for the NSP Property conveying such NSP Property both (i) to the City, and, in the alternative, (ii) to MPS LLC”

6. Section 8 of the Redevelopment Agreement is hereby amended by deleting the first sentence and replacing it with the following: “The Developer shall commence the Required Work for the NSP Property promptly upon closing on the loan for the rehabilitation of such property, and shall thereafter diligently proceed to complete the Required Work within eleven (11) months of such loan closing date (this requirement shall not apply to MPS LLC with respect to the NSP Property that is to be conveyed to a Participating Entity for rehabilitation or construction).” Section 8 of the Redevelopment Agreement is hereby further amended by deleting the reference to “six (6)” in the second sentence and replacing it with “eleven (11).”
7. Exhibit A to the Redevelopment Agreement is hereby deleted in its entirety and new Exhibit A, attached hereto and made a part hereof, is substituted in its place.
8. The definition of “Completion” in Section 1 of the Regulatory Agreement is hereby amended by inserting after the words “the Drawings” the following: “the requirements set forth in the Community Investment Corporation loan documents.”
9. The definition of “Completion Date” in Section 1 of the Regulatory Agreement is hereby amended by inserting after the words “the Drawings” the following: “the requirements set forth in the Community Investment Corporation loan documents.”
10. Exhibit B to the Regulatory Agreement is hereby deleted in its entirety and new Exhibit B, attached hereto and made a part hereof, is substituted in its place.
11. Exhibit C to the Regulatory Agreement is hereby deleted in its entirety and new Exhibit C, attached hereto and made a part hereof, is substituted in its place.
12. Exhibit F to the Regulatory Agreement is hereby deleted in its entirety and new Exhibit F, attached as Exhibit D to this Amendment and made a part hereof, is substituted in its place.
13. Paragraph 10 of the Mortgage is hereby amended by deleting section (vi) and replacing it with the words “[intentionally omitted].”
14. The last paragraph of Paragraph 36 of the Mortgage is hereby amended by deleting the reference to “\$5,853,660” and replacing it with \$10,259,762.
15. The Mortgage is hereby amended by adding the following language:

“(39) **Subordination.** This Mortgage shall be subject to and subordinate to that certain Senior Construction Loan and to that certain Senior Permanent Loan, as defined in the Redevelopment Agreement, as amended. This Mortgage shall also

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be subordinate to any subsequent mortgage that refinances the Senior Permanent Loan, so long as such refinancing is in an original principal amount less than or equal to the original principal amount of the Senior Permanent Loan, unless the Mortgagee, in its sole discretion, agrees to senior refinancing in a greater amount.”

16. Exhibit B to the Mortgage is hereby deleted in its entirety and new Exhibit B, attached as Exhibit E to this Amendment and made a part hereof, is substituted in its place.
17. The Note is hereby amended by deleting the repayment terms stated in the first paragraph and replacing them with the following:
 

“Upon the making of the Senior Permanent Loan (as defined in the hereinafter defined Loan Agreement, as amended), the Maker shall make a payment to the Holder of \$850,000, or such lesser amount as reflects the actual amount of the Senior Permanent Loan, which payment shall reduce the outstanding principal balance of the Note by such amount. The remaining principal balance (less developer equity in the amount of \$170,110) of \$4,109,771 shall be forgiven on a pro rata basis, annually, over a period of 20 years from the date hereof (the “Maturity Date”), subject to compliance by the Maker with all the terms and conditions of the Regulatory Agreement; provided, however, that the term Maturity Date shall also mean such earlier date as of which the principal of the Loan may become due and payable because of acceleration or prepayment as provided in any of the Documents.”
18. The parties hereto expressly acknowledge that the Loan and the Documents are subordinate to that certain Senior Construction Loan, as defined on Exhibit A of this Amendment, and to that certain Senior Permanent Loan, as defined on Exhibit A of this Amendment, each made by the Community Investment Corporation, an Illinois not-for-profit corporation (“CIC”) to the Assignee in connection with the Project.
19. The parties hereto acknowledge and agree that this Amendment does not constitute a novation of the existing indebtedness under the Loan, but is intended to be an amendment and modification of the Documents. Except as amended hereby, the provisions of the Documents remain in full force and effect and are hereby ratified and confirmed. The Mortgage shall continue to secure repayment of all amounts due under the Note as modified by this Amendment without loss of priority.
20. The City or MPS hereby agrees to use its best efforts to copy CIC on the notice that it gives the Assignee regarding the City’s consent to the start of construction pursuant to Section 10 (xix) of the Mortgage.
21. The City hereby consents to the execution of the following documents by the Trustee: (i) Assignment of Contracts and Documents in favor of the City dated as of the date of this Amendment and (ii) this Amendment.

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22. This Amendment applies to and binds the Parties and their respective heirs, administrators, executors, successors and assigns, as well as any subsequent owner of the Property.
23. This Amendment shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois without regard to its conflict of laws principles.
24. If any provision of this Amendment, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Amendment shall be construed as if such invalid part were never included herein and this Amendment shall be and remain valid and enforceable to the fullest extent permitted by law.
25. All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Redevelopment Agreement.
26. This Amendment may be executed in counterparts, which, when taken together, shall constitute one original document.

[The remainder of this page is intentionally left blank.]

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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment to Mortgage and Loan Documents as of the day and year first above written.

**MERCY PORTFOLIO SERVICES**, a Colorado non-profit corporation

By: \_\_\_\_\_

Name: William W. Towns  
Title: Vice President

**MPS Community I, LLC**, an Illinois limited liability company

By: Mercy Portfolio Services, a Colorado non-profit corporation and its sole member

By: \_\_\_\_\_

Name: William W. Towns  
Title: Vice President

**6034 Building LLC**, an Illinois limited liability company

By: \_\_\_\_\_

Name: Robert Ferrino  
Title: Manager

Property of Cook County Clerk's Office



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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment to Mortgage and Loan Documents as of the day and year first above written.

**MERCY PORTFOLIO SERVICES**, a Colorado non-profit corporation

By: \_\_\_\_\_

Name: William W. Towns  
Title: Vice President

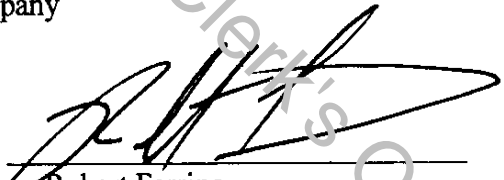
**MPS Community I, LLC**, an Illinois limited liability company

By: Mercy Portfolio Services, a Colorado non-profit corporation and its sole member

By: \_\_\_\_\_

Name: William W. Towns  
Title: Vice President

**6034 Building LLC**, an Illinois limited liability company

By:   
Name: Robert Ferrino  
Title: Manager

Property of Cook County Clerk's Office

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**CITY OF CHICAGO**, an Illinois municipal corporation, acting by and through its Department of Housing and Economic Development

By: *Andrew J. Mooney*  
Name: Andrew J. Mooney  
Title: Commissioner



**Chicago Title Land Trust Company**, Not personally but solely as Trustee under that certain Trust Agreement dated October 31, 2011 and known as Trust Number 8002358101

By: *Harriet Denisevicz*  
Name: **Harriet Denisevicz**  
Title: **Trust Officer**

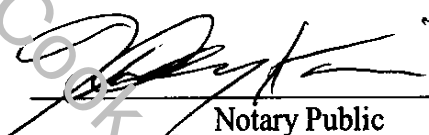
This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and are not personally assumed by it. No personal liability or personal responsibility is assumed by it and shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.

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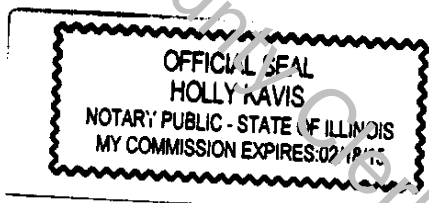
STATE OF ILLINOIS     )  
   ) SS.  
 COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that William W. Towns, personally known to me to be the Vice President of Mercy Portfolio Services, a Colorado non-profit corporation ("MPS"), and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me, acknowledged that as such Vice President, he signed and delivered the said instrument pursuant to authority given by MPS, and as his free and voluntary act and deed and as the free and voluntary act and deed of MPS for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 18<sup>th</sup> day of January, 2012.

  
 \_\_\_\_\_  
 Notary Public

(SEAL)

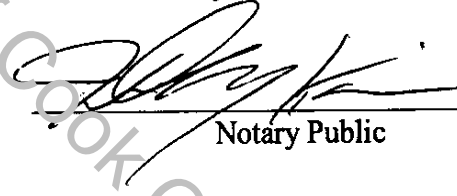


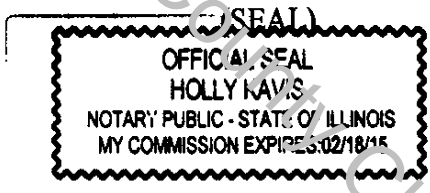
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STATE OF ILLINOIS        )  
   ) SS.  
 COUNTY OF COOK         )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that William W. Towns, personally known to me to be the Vice President of Mercy Portfolio Services, a Colorado non-profit corporation, which is the sole member of MPS Community I, LLC, an Illinois limited liability company ("MPS LLC"), and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me, acknowledged that as such Vice President, he signed and delivered the said instrument pursuant to authority given by MPS LLC, and as his free and voluntary act and deed and as the free and voluntary act and deed of MPS LLC for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 18<sup>th</sup> day of January, 2012.

  
 \_\_\_\_\_  
 Notary Public



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STATE OF ILLINOIS        )  
  ) SS.  
COUNTY OF COOK        )

I, Miriam Hernandez, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Robert Ferrino, personally known to me to be the Manager of 6034 Building LLC, an Illinois limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by said company, as his free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 19<sup>th</sup> day of January, 2012.

Miriam Hernandez  
NOTARY PUBLIC



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STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, Patricia Sulewski, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago, an Illinois municipal corporation and home rule unit of government, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that, as the Commissioner, he signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as his free and voluntary act and as the free and voluntary act and deed of the corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 18<sup>th</sup> day of January, 2012.

Patricia Sulewski  
NOTARY PUBLIC



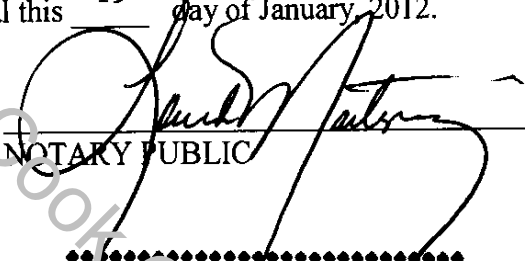
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S

STATE OF ILLINOIS        )  
  ) SS.  
COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Harriet Denisevicz, personally known to me to be the Trust Officer of Chicago Title Land Trust Company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that he/she signed and delivered the foregoing instrument pursuant to authority given by said company, as his/her free and voluntary act and as the free and voluntary act and deed of said company, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 19 day of January, 2012.

  
\_\_\_\_\_  
NOTARY PUBLIC



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## EXHIBIT A

### (NEW EXHIBIT A TO REDEVELOPMENT AGREEMENT)

#### NSP PROPERTY INFORMATION

**Legal Description of Land:** LOTS 1 TO 6, INCLUSIVE, AND LOT 7 (EXCEPT THE SOUTH 20 FEET THEREOF) IN BLOCK 3 IN PARKERS SUBDIVISION OF BLOCK 4 IN WILSON, HEALD AND STEBBING'S SUBDIVISION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO MAP OF SAID PARKER'S SUBDIVISION RECORDED MARCH 13, 1874 IN BOOK 7 OF PLATS PAGE 37, IN COOK COUNTY, ILLINOIS.

**Common Address:** 6034-52 South Prairie Avenue, Chicago, Illinois 60637

**PIN:** 20-15-309-020-0000 and 20-15-309-021-0000

**Existing Improvements on the Land:** 30-UNIT RESIDENTIAL BUILDING

**NSP Acquisition Price:** \$965,250

**NSP Acquisition Loan Amount for acquisition and holding costs:** \$ 989,127

**NSP Redevelopment Cost:** \$ 4,140,754

**NSP Loan Amount:** \$5,129,881

**Permitted Developer's Fee:** \$336,942

**NSP Total Development Cost:** \$5,129,881

**Senior Construction Loan:** \$4,140,754

**Senior Permanent Loan:** \$850,000

**Senior Lender:** Community Investment Corporation ("CIC")

**Senior Loan Documents:** collectively (i) that certain Construction Loan Agreement made by the Assignee in favor of CIC as of the date hereof, (ii) that certain Construction Loan Mortgage and Security Agreement with Collateral Assignment of Leases and Rents made by the Assignee in favor of CIC as of the date hereof, (iii) that certain Three Year Adjustable Rate Construction Loan Note made by the Assignee in favor of CIC as of the date hereof, (iv) that certain Security Agreement and Assignment of Interest in Land Trust made by Assignee in favor of CIC as of the



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date hereof; and (v) those certain documents which will evidence the Senior Permanent Loan upon completion of the Project.

**Junior Loan:** None.

**Junior Lender:** None.

**Junior Loan Documents:** None.

**Repayment Terms:** Upon the making of the Senior Permanent Loan, the Developer shall make a payment to the City of \$850,000, or such lesser amount as reflects the actual amount of the Senior Permanent Loan, which amount shall reduce the outstanding principal balance of the Note by such amount. The remaining principal balance (less developer equity in the amount of \$170,110) of \$ 4,109,771 shall be forgiven on a pro rata basis, annually, over a period of 20 years from the date hereof (the "Maturity Date"), subject to compliance by the Developer with all the terms and conditions of the Regulatory Agreement; provided, however, that the term Maturity Date shall also mean such earlier date as of which the principal of the NSP Loan may become due and payable because of acceleration or prepayment as provided in any of the Documents.

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## EXHIBIT B

### (NEW EXHIBIT B TO REGULATORY AGREEMENT)

#### I. ADDITIONAL DEFINITIONS

"Davis Bacon Act" shall mean 40 U.S.C. 276a et seq., as the same may be restated, modified or amended from time to time.

"Housing Act Section 3" shall mean Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. Section 1701u.

"HUD Restrictions Termination Date" shall mean the fifteenth anniversary of the Completion Date.

"Illinois Prevailing Wage Act" shall mean 820 ILCS 130 et seq., as the same may be restated, modified or amended from time to time.

"Low-Income Project" shall mean the 15 units in the Project financed with NSP Funds and required to be occupied by Very Low-Income Families.

"NSP Funds" shall mean a loan from Mercy to the Borrower in the principal amount of \$5,129,881 for financing a portion of the costs of the acquisition and rehabilitation of the Project.

"Project" shall mean the one building located at 6034 S Prairie Ave Chicago, Illinois, and which shall contain, as of the completion of the acquisition and rehabilitation thereof, 30 multi-family residential dwelling units.

"Section 3 Regulations" shall mean 24 C.F.R. Part 135, and such additional regulations, orders, rulings, interpretations and directives in connection with Housing Act Section 3 as may be promulgated or issued by HUD from time to time.

"Senior Lender" shall mean: Community Investment Corporation ("CIC").

"Senior Loan" shall mean: Collectively, that certain senior construction loan and senior permanent loan from CIC to the Participating Entity.

"Senior Mortgage" shall mean: That certain Construction Loan Mortgage and Security Agreement with Collateral Assignment of Leases and Rents made by Participating Entity in favor of CIC as of the date hereof.

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## II. ADDITIONAL REPRESENTATIONS AND COVENANTS OF BORROWER.

1. 100 percent of the units in the Low-Income Project shall be occupied by Very-Low Income Families. 100 percent of the units in the Project shall be occupied by Eligible-Income Families.

2. (a) The Project shall consist of the following unit configuration:

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Initial Rents</u>
2/unit	17	\$750
3/unit	13	\$927-973

(b) The Low-Income Project shall consist initially of the following unit configuration for Very Low-Income Families:

<u>Number of Bedrooms</u>	<u>Number of Units</u>	<u>Initial Rents</u>
2/unit	9	\$750
3/unit	6	\$927

(c) The Project shall consist of the following square footage:

<u>Unit Size</u>	<u>Square Footage Range</u>	<u>Average Square Footage</u>
2 Bdrm Unit	715-1056	809
3 Bdrm Unit	715-1153	1013

(d) The Low-Income Project shall consist of the following square footage:

<u>Unit Size</u>	<u>Square Footage Range</u>	<u>Average Square Footage</u>
2 Bdrm Unit	715-1056	809
3 Bdrm Unit	715-1153	1013

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3. Wage Rates. The Project shall comply with the Illinois Prevailing Wage Act and the Davis-Bacon Act, as applicable. Mercy shall provide the applicable wage determination to the Borrower prior to commencement of the Required Work.

4. The Project shall be acquired and rehabilitated in accordance with the Construction Schedule, and an Approved Budget, as required in the Redevelopment Agreement, and any change orders to be hereafter approved by Mercy and the City.

5. For purposes of Section 12, the Borrower's address shall be:

6034 Building LLC  
15657 South 70<sup>th</sup> Court  
Orland Park, IL 60462  
Attn: Robert Ferrino

6. (a) The work to be performed in connection with the Project is subject to the requirements of Housing Act Section 3. The purpose of Housing Act Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Housing Act Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income individuals, particularly individuals who are recipients of HUD assistance for housing.

(b) The Borrower hereby agrees to comply with the Section 3 Regulations in connection with the Project. As evidenced by its execution of this Regulatory Agreement, the Borrower hereby certifies that it is under no contractual or other impediment that would prevent the Borrower from complying with the Section 3 Regulations in connection with the Project.

(c) The Borrower hereby agrees to (1) send to each labor organization or representative of workers with which the Borrower has a collective bargaining agreement or other understanding, if any, and which concerns workers whose positions are subject to compliance with the Section 3 Regulations in connection with the Project, a notice advising the labor organization or workers' representative of the Borrower's commitments under this Section, and (2) post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Housing Act Section 3 preference and shall set forth: (i) the minimum number of jobs and job titles subject to hire, the availability of apprenticeship and training positions, and the qualifications for each; (ii) the name and location of the Person(s) taking applications for each of the positions; and (iii) the anticipated date the work shall begin.

(d) The Borrower hereby agrees to (1) include the language contained in this Section in every contract entered into by the Borrower in connection with the Project and subject to

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compliance with the Section 3 Regulations, including the Construction Contract, and (2) take appropriate action, as provided in an applicable provision of such contract or in this Section, upon a finding that any Person with whom the Borrower contracts, including the General Contractor, is in violation of the Section 3 Regulations. The Borrower covenants and agrees that the Borrower shall not contract with any Person in connection with the Project where the Borrower has notice or knowledge that such Person has been found in violation of the Section 3 Regulations.

(e) The Borrower agrees to cause the General Contractor to (1) include the language contained in this Section in every subcontract subject to compliance with the Section 3 Regulations, and (2) take appropriate action, as provided in an applicable provision of such Subcontract or in this Section, upon a finding that any subcontractor with whom the General Contractor contracts is in violation of the Section 3 Regulations. The Borrower shall cause the General Contractor to agree that the General Contractor shall not subcontract with any Person where the General Contractor has notice or knowledge that such Person has been found in violation of the Section 3 Regulations.

(f) The Borrower hereby certifies that any vacant employment positions in connection with the Project, including training positions, that were filled prior to the Closing Date and with Persons other than those to whom the Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the Borrower's obligations under the Section 3 Regulations.

(g) Noncompliance with the Section 3 Regulations may result in sanctions, including, but not limited to, the declaration by Mercy and/or the City of an event of default under the Documents and the exercise by Mercy and/or the City of its remedies thereunder, as well as debarment or suspension from future HUD-assisted contracts.

(h) The Borrower acknowledges receipt from Mercy of a copy of the City of Chicago Section 3 Compliance Plan booklet (the "Booklet"). The Borrower agrees to complete or cause to be completed, as applicable, those forms contained in the Booklet as requested by Mercy or the City and to submit such forms Mercy or to the City promptly upon Mercy or the City's request. The Borrower hereby represents and warrants to Mercy and the City that all such forms heretofore submitted by or on behalf of the Borrower are true and correct. The Borrower hereby covenants to Mercy and the City that all such forms hereafter submitted by the Borrower shall be true and correct, and that work on the Project shall be carried out in accordance with the existing employee list (with respect to number of employees and job classifications only), hiring plan, training plan, contracting plan and compliance effort narrative, as applicable, as submitted by the Borrower to Mercy and the City, unless otherwise agreed to in writing by Mercy and/or the City.

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## EXHIBIT C

### (NEW EXHIBIT C TO REGULATORY AGREEMENT)

#### USE OF NSP FUNDS

[SEE ATTACHMENTS]

Acquisition and rehabilitation of the Property in accordance with final plans and specifications to be approved by Mercy and the City as the Required Work under the Redevelopment Agreement, the Construction Schedule, and the Approved Budget

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6034 S Prairie  
 30u Residential + No Commercial  
 3 Corners  
 Land Trust: TBD  
 Rehab

### MPS-NSP Term Sheet Multi-Family

Approval by Developer:  
 6034 Building LLC  
 Robert Ferrino, Manager

Approval by City of Chicago,  
 Dept. of Housing & Economic Development  
 x *Fathym Eshweg*

Work to be performed (Rehab or new Construction)

- 1 965,250.00 Conf. "NSP Acquisition Price"
- 2 23,877.00 Conf. Plus: holding costs
- 3 989,127.00 Conf. = "NSP Acquisition Loan Amount" ("NSP Acquisition Price" plus holding costs)
- 3 4,140,754.00 Conf. "NSP Redevelopment Cost" (Lender rehab loan amount, incl. dev. fee). P. Est. = Per CIC Prelim. Loan Review; Est. = Per 12/28/11 Loan Commit. Cont. = Per 1/17/12 Final OSS (OSS 1/17/12)
- 4 336,942.00 Conf. CIC
- 5 5,129,881.00 Conf. Int. Only
- 6 5,129,881.00 Conf. 6.280%
- 850,000.00 Conf. Rehab Loan Term (Months)
- 11 Conf. Amortization Period (Years)
- 20 Conf. Rehab Loan Interest Rate (Prime + 300 bp)
- 5.500% Conf. "Permitted Developer Fee". Payment as follows: 25% Less Performance Deposit at CIC Loan Closing, 25% at Substantial Completion, 50% plus Performance Deposit upon CIC Perm Loan Conversion
- "NSP Loan Amount" (this is the same as "NSP Total Development Cost")
- "NSP Total Development Cost" (Sum of "NSP Acquisition Loan Amount" and "NSP Redevelopment Cost")

Less: Lender permanent loan amount  
 CIC  
 20 Permanent Loan Term (Years)  
 20 Amortization Period (Years)  
 5.500% Permanent Loan Interest Rate (3 Yr ARM)

Less: Developer Equity  
 = Amount to remain outstanding and forgiven over term

**Affordability Restriction**  
 Income Qualified AND Rent Restricted at 50% AMI, AND otherwise restricted per Regulatory Agreement  
 Income Qualified at 120% AMI, AND otherwise restricted per Regulatory Agreement

Perform. Depo.	12m	1m	3m	3m
Real Estate Tax	39,841	3,237	9,417	9,417
Insurance	10,500	875	2,325	2,325
Utilities	NA	1,000	3,000	3,000
Proc. Maint	NA	1,000	3,000	3,000
<b>Total</b>			<b>18,335</b>	

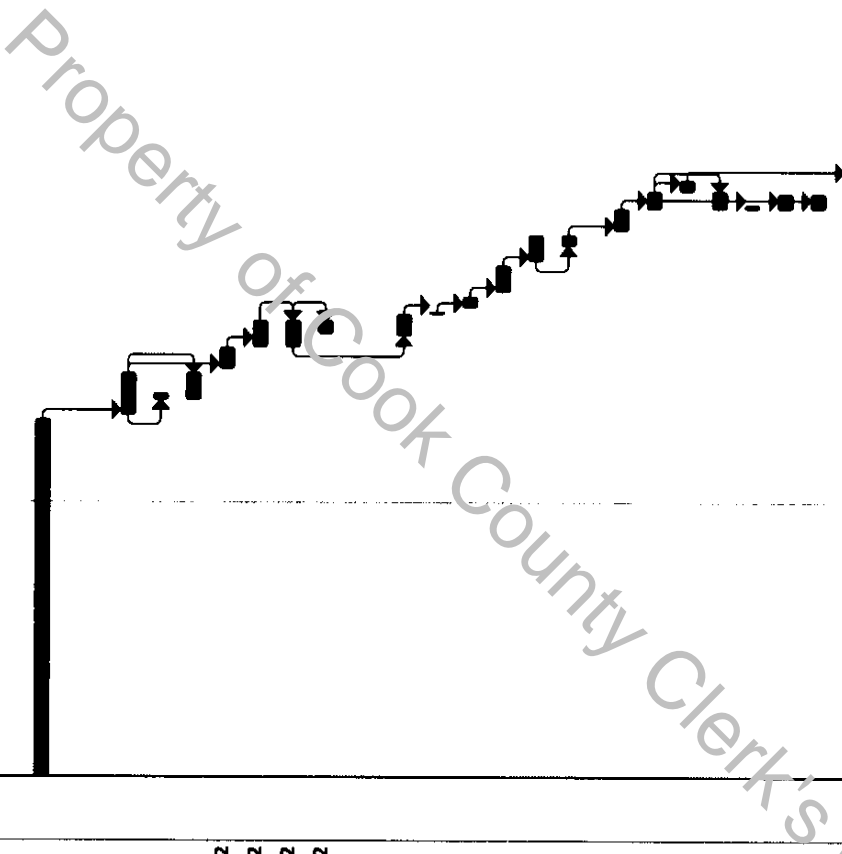
19,000.00 Conf.

Unit SE, Rent, and Utility Confirmation by Developer	Column A		Column B		Column C		Column D		Column E		Column F		Column G		Column H		Column I		
	Unit SE	Rent	Unit SE	Rent	Unit SE	Rent	Unit SE	Rent	120% AMI	180% AMI	D. Est. Rent	760 Elec	760 Cooling Gas	927 Heat, Gas	973 Water	Landlord Pd.	Landlord Pd.	Insured Pd.	
2 Bd/AT	716-1,056	800	800	9	803	NA	1,977	760	927	973	NA	NA	NA	NA	NA	NA	NA	NA	X
2 Bd/Mkt	716-1,056	800	800	8	827	NA	1,977	760	927	973	NA	NA	NA	NA	NA	NA	NA	NA	X
3 Bd/AT	716-1,483	1,013	1,013	7	NA	2,281	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	X

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**Madison Construction  
6034 S. Prairie NSP Project  
Project Schedule**

ID	Task Name	Duration	Start	Finish	Days
1	6034 S. Prairie NSP Project				
2	Porch and Plumbing Repairs	117 days	Thu 8/18/11	Fri 1/27/12	
3	Phase 1 (12 Units)				
4	Demolition	15 days	Mon 1/30/12	Fri 2/17/12	
5	Basement Concrete	3 days	Mon 2/6/12	Wed 2/8/12	
6	Install Windows	10 days	Mon 2/6/12	Fri 2/17/12	
7	Rough Carpentry	8 days	Mon 2/20/12	Wed 2/29/12	
8	Rough Plumbing	8 days	Thu 3/1/12	Mon 3/12/12	
9	Rough HVAC	8 days	Thu 3/1/12	Mon 3/12/12	
10	Install New Mechanical Equipment	4 days	Wed 3/7/12	Mon 3/12/12	
11	Rough Electric	8 days	Tue 3/6/12	Thu 3/15/12	
12	Rough Inspection	1 day	Fri 3/16/12	Fri 3/16/12	
13	Insulation	5 days	Mon 3/19/12	Fri 3/23/12	
14	Drywall	10 days	Mon 3/26/12	Fri 4/6/12	
15	Flooring	10 days	Mon 4/9/12	Fri 4/20/12	
16	Install Doors and Hardware	5 days	Mon 4/16/12	Fri 4/20/12	
17	Paint	8 days	Mon 4/23/12	Wed 5/2/12	
18	Install Kitchen Cabinet	6 days	Thu 5/3/12	Thu 5/10/12	
19	Install Appliances	3 days	Fri 5/11/12	Tue 5/15/12	
20	Plumbing Trim	6 days	Thu 5/3/12	Thu 5/10/12	
21	Bath Accessories	2 days	Thu 5/3/12	Fri 5/4/12	
22	HVAC Trim	5 days	Thu 5/3/12	Wed 5/9/12	
23	Electrical Trim	5 days	Thu 5/3/12	Wed 5/9/12	
24	Paint Touch Up	3 days	Wed 5/16/12	Fri 5/18/12	
25	Clean Up	3 days	Mon 5/21/12	Wed 5/23/12	
26	Final Building Inspection	1 day	Thu 5/24/12	Thu 5/24/12	
27	Phase Closeout	5 days	Fri 5/25/12	Thu 5/31/12	
28					
29	Phase 2 (18 Units)				
30	Demolition	20 days	Fri 6/1/12	Thu 6/28/12	

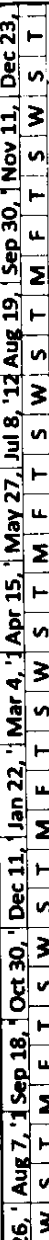




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**Madison Construction**  
**6034 S. Prairie NSP Project**  
**Project Schedule**

ID	Task Name	Duration	Start	Finish
31	Masonry	15 days	Fri 6/1/12	Thu 6/21/12
32	Remove and Replace Roof	10 days	Tue 6/12/12	Mon 6/25/12
33	Gutters and Downspouts	3 days	Tue 6/26/12	Thu 6/28/12
34	Exterior Concrete	4 days	Fri 6/1/12	Wed 6/6/12
35	Asphalt Drive	2 days	Thu 6/7/12	Fri 6/8/12
36	Install Windows	12 days	Wed 6/13/12	Thu 6/28/12
37	Fence Repair	2 days	Thu 6/7/12	Fri 6/8/12
38	Landscaping	3 days	Thu 6/7/12	Mon 6/11/12
39	Rough Carpentry	15 days	Fri 6/29/12	Thu 7/19/12
40	Rough Plumbing	15 days	Fri 7/20/12	Thu 8/9/12
41	Rough HVAC	15 days	Fri 7/27/12	Thu 8/16/12
42	Rough Electric	15 days	Fri 8/3/12	Thu 8/23/12
43	Rough Inspection	1 day	Fri 8/24/12	Fri 8/24/12
44	Insulation	7 days	Mon 8/27/12	Tue 9/4/12
45	Drywall	15 days	Wed 9/5/12	Tue 9/25/12
46	Flooring	15 days	Wed 9/26/12	Tue 10/16/12
47	Install Doors and Hardware	12 days	Thu 10/4/12	Fri 10/19/12
48	Paint	10 days	Mon 10/22/12	Fri 11/2/12
49	Install Kitchen Cabinet	15 days	Mon 11/5/12	Fri 11/23/12
50	Install Appliances	3 days	Mon 11/26/12	Wed 11/28/12
51	Plumbing Trim	9 days	Fri 11/16/12	Wed 11/28/12
52	Bath Accessories	4 days	Mon 11/5/12	Thu 11/8/12
53	HVAC Trim	7 days	Mon 11/5/12	Tue 11/13/12
54	Electrical Trim	8 days	Mon 11/5/12	Wed 11/14/12
55	Paint Touch Up	5 days	Thu 11/29/12	Wed 12/5/12
56	Clean Up	5 days	Thu 12/6/12	Wed 12/12/12
57	Final Building Inspection	1 day	Thu 12/13/12	Thu 12/13/12
58	Project Closeout	11 days	Fri 12/14/12	Fri 12/28/12



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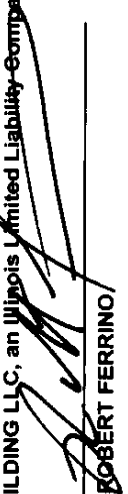
STATE OF ILLINOIS      LOAN NO.: 8420-01282      ESCROW NO.  
 COUNTY OF COOK      GUARANTEE NO.: 8865658


The Affiant 6034 BUILDING LLC being duly sworn on oath deposes and says that he/she is the ( ) owner ( X ) beneficiary of Trust No. 8002358101 held by CHICAGO TITLE LAND TRUST COMPANY, in Chicago, Illinois which is the owner of the following described premises in Cook County, Illinois, to wit: 6034-52 S. PRAIRIE AVENUE, Chicago, Illinois 60637

1. That he/she is thoroughly familiar with all the facts and circumstances concerning the premises described above;
2. That during the six months last past the only work done or materials furnished in connection with the mentioned premises are listed below;
3. That the only contracts let for the furnishing of future work or materials relative to the contemplated improvements are as listed below;
4. That this statement is a true and complete statement of all such contracts, previous payments, and balances due, if any.

Vendor	Type of Work	Adjusted Contract	PrevPaid	This Payment	Balance Due
1 MADISON CONSTRUCTION	Construction	2,664,926.00	-	-	2,664,926.00
2 6034 BUILDING LLC	Contingency	266,493.87	-	-	266,493.87
3 COMMUNITY INVESTMENT CORPORATION	Loan Fee (25,500.00 Total)	12,750.00	-	12,750.00	-
4 6034 BUILDING LLC	Loan Fee	12,750.00	-	12,750.00	-
5 COMMUNITY INVESTMENT CORPORATION	Construction Interest	31,654.00	-	31,654.00	-
6 6034 BUILDING LLC	Reimbursement of Application Fee	300.00	-	300.00	-
7 Community Investment Corporation	Wire Fee	9.00	-	9.00	-
8 Community Investment Corporation	Tax & Insurance Escrow	42,562.13	-	42,562.13	-
9 6034 BUILDING LLC	Appraisal Fee-reimbursement	1,700.00	-	1,700.00	-
10 Community Investment Corporation	Construction Fee	19,987.00	-	19,987.00	-
11 INSURANCE reimburse to 6034 Building LLC	Property & General Liability Ins	12,970.00	-	12,970.00	-
12 GONSKY BAUM & WHITTAKER	Legal Fees	25,000.00	-	11,000.00	14,000.00
13 6034 BUILDING LLC reimburse re arch/eng.	Engineering & Architect	106,324.00	-	106,324.00	-
14 Chicago Title and Trust Company	Title and Recording	3,600.00	-	3,600.00	-
15 Chicago Title and Trust Company	Land Trust Fee	975.00	-	975.00	-
16 Chicago Title and Trust Company	Construction Escrow Fee	1,500.00	-	1,500.00	-
17 6034 Building LLC	Replacement Reserve Deposit	10,500.00	-	-	10,500.00
18 6034 Building LLC	Operating Reserve Deposit	76,158.00	-	-	76,158.00
19 6034 BUILDING LLC	Developer Fee	336,942.00	-	84,235.50	252,706.50
20 6034 BUILDING LLC	Operation Construction Expense(s)	46,985.00	-	-	46,985.00
21 6034 BUILDING LLC	Wage Contingency	266,493.00	-	-	266,493.00
22 6034 BUILDING LLC	Survey	950.00	-	-	950.00
23 6034 BUILDING LLC	City of Chicago Permit Advance	100,000.00	-	-	100,000.00
24 GSG CONSULTANTS, INC.	LBP Reporting and Testing	15,000.00	-	5,895.00	9,105.00
25 6034 BUILDING LLC	Relocation	51,940.00	-	25,970.00	25,970.00
26 6034 BUILDING LLC	Municipality Certificate Fees	1,860.00	-	-	1,860.00
27 PRECISION CONSULTING LLC	Insurance Review	175.00	-	175.00	-
28 6034 BUILDING LLC	Security	30,250.00	-	-	30,250.00
<b>TOTALS</b>		<b>4,140,754.00</b>	<b>-</b>	<b>374,356.63</b>	<b>3,766,397.37</b>

6034 BUILDING LLC, an Illinois Limited Liability Company

BY:  ROBERT FERRINO  
 ITS: MEMBER/MANAGER

Subscribed and sworn to before me this 19th day of January, 2012. "OFFICIAL SEAL"  
  
 MIRIAM HERNANDEZ  
 Notary Public, State of Illinois  
 My Commission Expires 03/16/2015

Notary Public

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## EXHIBIT D

### (NEW EXHIBIT F TO REGULATORY AGREEMENT)

#### UTILITIES SCHEDULE

The following utilities shall be paid by the tenant:

- 1) Electricity
- 2) Cooking Gas

COOK COUNTY  
 RECORDER OF DEEDS  
 SCANNED BY \_\_\_\_\_

COOK COUNTY  
 RECORDER OF DEEDS  
 SCANNED BY \_\_\_\_\_

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## EXHIBIT E

### (NEW EXHIBIT B TO MORTGAGE)

1. Address of Mortgagor:

6034 Building LLC  
15657 South 70<sup>th</sup> Court  
Orland Park, IL 60462  
Attn: Robert Ferrino

2. Interest Rate on Note: Zero percent per annum

3. [Intentionally Omitted]

4. Principal Amount of Note: \$ 5,129,881

5. Repayment Terms and Maturity Date of the Loan:

Upon the making of the Senior Permanent Loan (as defined in the Redevelopment Agreement, as amended), the Mortgagor shall make a payment to the Mortgagee of \$850,000, or such lesser amount as reflects the actual amount of the Senior Permanent Loan, which payment shall reduce the outstanding principal balance of the Note by such amount. The remaining principal balance (less developer equity in the amount of \$170,110) of \$4,109,771 shall be forgiven on a pro rata basis, annually, over a period of 20 years from the date hereof (the "Maturity Date"), subject to compliance by the Mortgagor with all the terms and conditions of the Regulatory Agreement; provided, however, that the term Maturity Date shall also mean such earlier date as of which the principal of the Loan may become due and payable because of acceleration or prepayment as provided in any of the Documents."

6. Non-Recourse Provisions:

(a) Notwithstanding Section 37 of the Mortgage, nothing herein or in any of the Loan Documents shall limit the rights of Mortgagee, following any of the events hereinafter described, to take any action as may be necessary or desirable to pursue Mortgagor, Member, if any, and/or Owner, if any, for any and all Losses incurred by Mortgagee arising from: (i) a material misrepresentation, fraud made in writing or misappropriation of funds by Mortgagor, Member, if any, and/or Owner, if any; (ii) intentional or material waste to the Premises; (iii) use of proceeds of the indebtedness evidenced by the Note for costs other than Eligible Costs; (iv) the occurrence of a Prohibited Transfer without Mortgagee's prior written consent, to the extent such Prohibited Transfer results from the intentional, willful, voluntary and/or negligent acts or omissions of Mortgagor, Member, if any, and/or Owner, if any; (v) any breach of Mortgagor's representations, warranties or covenants regarding hazardous materials or environmental laws contained in any of the Loan Documents; (vi) the occurrence of any uninsured casualty to the Premises or other collateral or security provided under any of the Loan Documents for which there has been a failure to maintain insurance coverage as required by the terms and provisions of the Loan Documents; (vii) the misappropriation or misapplication of insurance proceeds or condemnation

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awards relating to the Premises or other collateral or security provided under any of the Loan Documents; or (viii) any inaccuracy in the statements in the Affidavits.

(b) Notwithstanding Section 37 of the Mortgage, nothing herein or in any of the Loan Documents shall limit the right of Mortgagee to assert liability against Mortgagor, Member, if any, and/or Owner, if any, for the repayment of the Loan in the amount described in the Loan Agreement in the event of a breach by Mortgagor of the requirements set forth in Sections 2.4, 2.5, 2.6, or 2.10 of the Regulatory Agreement as modified by Section 2.7 of the Regulatory Agreement, but only to the extent that such breach results in a demand by HUD on Mortgagee or the City of Chicago for repayment of the Loan in whole or in part, and only to the extent that as a result of such demand, Mortgagee or the City of Chicago are legally obligated to make such payment to HUD. Such payment may be made either by a direct payment from Mortgagee or the City of Chicago to HUD or by a deduction by HUD from other monies allocated or to be allocated to Mortgagee or the City of Chicago by HUD. If Mortgagee so chooses, Mortgagee shall pursue a diligent contest of any such demand by HUD, but shall not be required to pursue the matter any further than reasonably prudent, as determined by Mortgagee. Mortgagor agrees to pay, as a recourse obligation of Mortgagor, all attorneys', experts' and consulting fees and disbursements and expenses incurred in connection with any such contest.

(c) Mortgagee waives any and all right to seek or demand any personal deficiency judgment against Mortgagor, in conjunction with a foreclosure proceeding, under or by reason of any of the non-recourse monetary obligations of Mortgagor; provided, however, that the foregoing shall not limit or affect Mortgagee's right to sue or otherwise seek recourse against Mortgagor, Member, if any, and/or Owner, if any, in any separate action or proceeding for all Losses incurred by Mortgagee arising from any of the matters described in the foregoing paragraphs of this Section 6.