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Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 02/13/2014 11:39 AM Pg 1 of 5

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SUBORDINATION OF LIEN

THIS SUBORDINATION OF LIEN is made and entered into this 31st day of January, 2014, by JAMES DENNY, One North Wacker Drive, Suite 4125, Chicago, Illinois ("Junior Creditor") in favor of The Northern Trust Company ("Senior Lender").

INTRODUCTION

A. PEPPERCORN 124, LLC, an Illinois limited liability company ("Borrower 124"), is currently indebted to Junior Creditor pursuant to the terms of a certain Mortgage Note dated April 20, 2007, in the original principal sum of ONE MILLION SEVEN HUNDRED TWENTY THOUSAND TWO HUNDRED SEVEN AND 90/100 DOLLARS (\$1,720,207.90) ("Subordinated Note I"), which is secured by a Mortgage dated April 20, 2007 executed by Borrower 124, in favor of Junior Creditor, and recorded on May 4, 2007 as document no. 0712422041 ("Subordinated Mortgage I").

B. PEPPERCORN 113, LLC, an Illinois limited liability company ("Borrower 113"), is currently indebted to Junior Creditor pursuant to the terms of a certain Mortgage Note dated April 20, 2007, in the original principal sum of ONE MILLION FOUR HUNDRED SIX THOUSAND NINE HUNDRED THIRTY SIX AND 28/100 DOLLARS (\$1,406,936.28) ("Subordinated Note II"), which is secured by a Mortgage dated April 20, 2007 executed by Borrower 113, in favor of Junior Creditor, and recorded on May 1, 2007 as document no. 0712160090 ("Subordinated Mortgage II").

This Document Prepared by: Jennifer L. Bruni Mayer Brown LLP 71 S. Wacker Drive Chicago, Illinois 60606	Return this document to: Ms. Dorothy Osborn The Northern Trust Company 50 South LaSalle Street Chicago, Illinois 60603	Property Address: 120-124 N. Willard Court, Chicago, Illinois 115-125 N. Elizabeth, Chicago, Illinois 1248-1250 W. Washington, Chicago, Illinois
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C. PEPPERCORN 1248, LLC, an Illinois limited liability company (“Borrower 1248” and collectively with Borrower 124 and Borrower 113, the “Borrowers”), is currently indebted to Junior Creditor pursuant to the terms of a certain Mortgage Note dated April 20, 2007, in the original principal sum of NINE HUNDRED ELEVEN THOUSAND SIXTY TWO AND 59/100 DOLLARS (\$911,062.59) (“Subordinated Note III” and collectively with Subordinated Note I and Subordinated Note II, the “Subordinated Notes”), which is secured by a Mortgage dated April 20, 2007 executed by Borrower 1248, in favor of Junior Creditor, and recorded on May 4, 2007 as document no. 0712422039 (“Subordinated Mortgage III” and collectively with Subordinated Mortgage I and Subordinated Mortgage II, the “Subordinated Mortgages”).

D. The Borrowers obtained additional credit from Senior Lender pursuant to the terms of a certain Commercial Mortgage Balloon Note dated as of December 16, 2013 (the “Senior Note”) in the original principal sum of TWO MILLION FIVE HUNDRED TWENTY THOUSAND AND 00/100 DOLLARS (\$2,520,000.00). The Senior Note is secured pursuant to a Commercial Mortgage dated as of December 16, 2013 (“Senior Mortgage I”) executed by Borrower 124 in favor of Senior Lender, and recorded FEBRUARY 7, 2014 as Document No. 1403810007; a Commercial Mortgage dated as of December 16, 2013 (“Senior Mortgage II”) executed by Borrower 113 in favor of Senior Lender, and recorded FEBRUARY 7, 2014 as Document No. 1403810006; and a Commercial Mortgage dated as of December 16, 2013 (“Senior Mortgage III” and collectively with Senior Mortgage I and Senior Mortgage II, the “Senior Mortgages”) executed by Borrower 1248 in favor of Senior Lender, and recorded FEBRUARY 7, 2014 as Document No. 1403810008.

E. Junior Creditor is willing to subordinate the priority of the indebtedness evidenced by the Subordinated Notes to the indebtedness evidenced by the Senior Note, all pursuant to the terms of this Agreement.

NOW, THEREFORE, the Junior Creditor acknowledges as follows:

1. Definitions. Capitalized terms which are defined in the Preamble or the Recitals hereto shall have the meaning given therein. As used in this Subordination of Liens, the following terms shall have the meanings specified below:

“Collateral” means the real properties located at 120-124 North Willard Court, Chicago, Illinois, 115-125 North Elizabeth, Chicago, Illinois and 1248-1250 W. Washington Street, Chicago, Illinois, each as further described on Exhibit A attached hereto.

“Senior Debt” means all obligations of the Borrowers under the Senior Note and the Senior Mortgages and any other agreement, instrument, or mortgage note related to it, whether for principal, interest, premium, fees, costs, indemnification, or otherwise, and including, without limitation, any amounts payable as damages or for rescission under any cause of action arising out of or relating to any of the foregoing.

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“Subordinated Debt” means all obligations of the Borrowers under the Subordinated Notes and the Subordinated Mortgages and any other agreement, instrument, or mortgage note related to it, whether for principal, interest, premium, fees, costs, indemnification, or otherwise, and including, without limitation, any amounts payable as damages or for rescission under any cause of action arising out of or relating to any of the foregoing.

2. Subordination. The Junior Creditor covenants and agrees that the Subordinated Debt is and shall be subordinate in right of payment to the prior payment in full of the Senior Debt as and to the extent provided in this Section. The Senior Debt shall not be deemed to have been paid in full until the Senior Lender shall have received full payment of the Senior Debt. Until the Senior Debt has been paid in full the priority of all present and future security interests of Junior Creditor in the Collateral shall be subordinated to all present and future enforceable perfected security interests of Senior Lender in the Collateral, regardless of the time, manner or order of perfection of any such security interests.


3. Governing Law. This Subordination of Lien shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Illinois, without regard to conflicts of law principles.

SIGNATURE PAGE TO FOLLOW

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IN WITNESS WHEREOF, Junior Creditor caused this Subordination of Lien to be duly executed and delivered as of the date first above written.

JUNIOR CREDITOR:



JAMES DENNY

Property of Cook County Clerk's Office

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EXHIBIT A

Legal Descriptions

LOTS 1, 2 AND 3 IN C.W. COOK'S SUBDIVISION OF LOTS 9, 12, 15 AND 18 IN S.S. HAYE'S SUBDIVISION OF BLOCK 1 IN WRIGHT'S ADDITION IN THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 120-124 NORTH WILLARD COURT, CHICAGO, IL

PERMANENT INDEX NO.: 17-08-330-022-0000

LOTS 8, 13, 14 AND 19 IN S.S. HAYE'S SUBDIVISION OF BLOCK 1 IN WRIGHT'S ADDITION TO CHICAGO IN SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 115-125 NORTH ELIZABETH STREET, CHICAGO, IL

PERMANENT INDEX NO.: 17-08-330-012-0000; 17-08-330-013-0000; AND 17-08-330-014-0000

LOT 20 IN S.S. HAYE'S SUBDIVISION OF BLOCK 1 IN WRIGHT'S ADDITION TO CHICAGO IN SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1248-50 WEST WASHINGTON BOULEVARD, CHICAGO, IL

PERMANENT INDEX NO.: 17-08-330-017-0000