

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

[RETURN TO ALLSTATE'S OUTSIDE COUNSEL]

David A. Grossberg
Schiff Hardin & Waite
6600 Sears Tower
Chicago, IL 60606
Box 408



00717959

**AGREEMENT OF SUBORDINATION,
NONDISTURBANCE AND ATTORNMENT**

THIS AGREEMENT is dated the 28th day of July, 2000, between ALLSTATE LIFE INSURANCE COMPANY ("Lender") and CAPITAL FITNESS, INC., an Illinois corporation ("Tenant").

RECITALS:

A. Tenant has executed that certain lease dated April 7, 2000, (the "Lease") with Lincoln, Ashland & Belmont, L.L.C., as lessor ("Landlord") covering the premises described in the Lease ("Premises") in that certain building located at 1601 West School Street/3240 North Ashland Avenue, Chicago, Illinois (the "Property") and more particularly described in Exhibit A attached hereto and made a part hereof, by this reference; and

B. Lender has made a mortgage loan to Landlord secured by a Mortgage, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing, dated February 27, 1996 as Document No. 96149959, securing payment of a promissory note of \$7,750,000 (the "Mortgage"); and

C. Tenant and Lender desire to confirm their understanding with respect to the Lease and the Mortgage.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, agreements contained herein, the parties hereto agree as follows:

1. The Lease and any extensions, modifications or renewals thereof, including but not limited to any option to purchase or right of first refusal to purchase the Property or any portion thereof, if any, is and shall continue to be subject and subordinate in all respects to the Mortgage and the lien created thereby, and to any advancements made thereunder and to any consolidations, extensions, modifications or renewals thereof. Lender acknowledges having received a copy of the Lease and is familiar with its terms, and consents to Landlord's execution and delivery of the Lease.

2. Tenant agrees to deliver to Lender, in the manner set forth in paragraph 7, a copy of any notice of default sent to Landlord by Tenant. If Landlord fails to cure such default within the time provided in the Lease, Lender shall have the right, but not the obligation to cure such default on behalf of Landlord within thirty (30) calendar days after the time provided for Landlord to cure such default in the Lease or within a reasonable period if such default cannot be cured within that time, provided Lender is proceeding in good faith and with due diligence to cure such default. In such event Tenant shall not terminate the Lease while such remedies are being diligently pursued by Lender provided that Lender shall have no more than sixty (60) days to cure such default. Further, Tenant shall not terminate the Lease on the basis of any default by Landlord which is incurable by Lender (such as, for example, the bankruptcy of Landlord or breach of any representation by Landlord), provided Lender is proceeding with due diligence to commence an action to appoint a receiver or to obtain the right to possession of the Property by foreclosure, deed in lieu of foreclosure, or otherwise ("Foreclosure"); and, provided that Tenant's ability to operate its business from the Premises is not materially and adversely affected. Tenant hereby agrees that no action taken by Lender to enforce any rights under the Mortgage or related security documents, by reason of any default thereunder (including, without limitation, the appointment of a receiver, any Foreclosure or any demand for rent under any assignment of rents or leases) shall give rise to any right of Tenant to terminate the Lease nor shall such

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action invalidate or constitute a breach of any of the terms of the Lease; provided that Tenant's ability to operate its business from the Premises is not materially and adversely affected.

3. So long as Tenant is not in default under the Lease beyond any applicable grace or cure period granted in the Lease, Tenant's possession and occupancy of the Premises shall not be disturbed by Lender during the term of the Lease or any extension thereof, regardless of whether or not a Foreclosure has occurred.

4. If Lender succeeds to the interest of Landlord under the Lease, subject to Tenant's performance of its obligations under the Lease, the Lease will continue in full force and effect, under the terms and conditions contained in the Lease. Thereupon, Lender shall recognize the Lease and Tenant's rights thereunder and Tenant shall make full and complete attornment to Lender as substitute Landlord upon the same terms, covenants and conditions as provided in the Lease, except for any option to purchase or right of first refusal to purchase the Property as may be provided in the Lease. Further, Tenant agrees that any such option or right of first refusal to purchase the Property or any portion thereof, as may be provided in the Lease shall not apply to and shall not in any way impair or delay any Foreclosure, as defined herein.

5. Tenant agrees that if Lender shall succeed to the interest of Landlord under the Lease, Lender, its successors and assigns, shall not be:

- (a) liable for any prior act or omission of Landlord or any prior landlord or consequential damages arising therefrom; or
- (b) subject to any offsets or defenses which Tenant might have as to Landlord or any prior landlord; or
- (c) required or obligated to credit Tenant with any rent or additional rent for any rental period beyond the then current month which Tenant might have paid Landlord except as otherwise set forth in the Lease; or
- (d) bound by any material amendments or modifications of the Lease such as those affecting rent, term or permitted use made without Lender's prior written consent. Notwithstanding the foregoing, Lender has approved the Lease; or
- (e) liable for refund of all or any part of any security deposit unless such security deposit shall have been actually received by Lender.

6. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The words, "Lender," "Landlord" and "Tenant" shall include their respective heirs, legatees, executors, administrators, beneficiaries, successors and assigns.

7. All notices, and all other communication with respect to this Agreement, shall be directed as follows: if to Lender, c/o Commercial Mortgage Division, 3075 Sanders Road, Suite G5C Northbrook, IL 60062-7127, Attention: Servicing Manager or such other address as Lender may designate in writing to Tenant and, if to Tenant, at the address set forth in the Lease or at such other address as Tenant may designate in writing to Lender. All notices shall be in writing and shall be (a) hand-delivered, (b) sent by United States express mail or by private overnight courier, or (c) served by certified mail postage prepaid, return receipt requested, to the appropriate address set forth above. Notices served as provided in (a) and (b) shall be deemed to be effective upon delivery. Any notice served by certified mail shall be deposited in the United States mail with postage thereon fully prepaid and shall be deemed effective on the day of actual delivery as shown by the addressee's return receipt or the expiration of three business days after the date of mailing, whichever is earlier in time.

8. This Agreement contains the entire agreement between the parties and no modifications shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party.

9. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LENDER:

ALLSTATE LIFE INSURANCE COMPANY

By: [Signature]
By: [Signature]
Its Authorized Signatories

WITNESSES:

[Signature]
[Signature]
Valerie T. Lee
Typed Name

[Signature]
[Signature]
Dawn Mammone
Typed Name

TENANT:

CAPITAL FITNESS, INC.,
an Illinois corporation

By: [Signature]
Evan M. Rayman, Vice President -
not individually, but as Vice President
of Capital Fitness, Inc.

WITNESSES:

[Signature]
[Signature]
Karla M. Nash
Typed Name

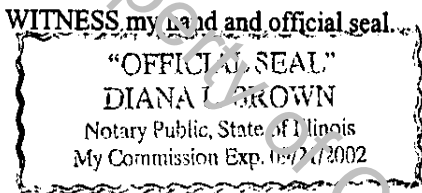
[Signature]
[Signature]
Jeff Ratzler
Typed Name

Property of Cook County Clerk's Office

STATE OF ILLINOIS)
COUNTY OF KANE)

SS:

On July 28, 2000, before me, DIANA L. BROWN, a Notary Public in and for the State of Illinois personally appeared Evan M. Rayman, as Vice President of Capital Fitness, Inc., personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he or she executed the same in his or her authorized capacity and that, by his or her signature on the instrument, the person or the entity upon behalf of which he or she acted, executed the instrument.



Diana L. Brown

Notary Public in and for said State

[NOTARIAL 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 BALPH BERGHOLTZ and _____, authorized signatories for Allstate Life Insurance Company, a corporation, personally known to me to be the same persons who executed the within instrument, appeared before me on AUG 31, 2000, in person, and acknowledged that they executed the within instrument as their free and voluntary act, for the uses and purposes therein set forth.



Janice Gregory

Notary Public

EXHIBIT A
LEGAL DESCRIPTION

LOT 2 IN LINCOLN, ASHLAND, BELMONT SUBDIVISION, BEING A RESUBDIVISION OF LAND, PROPERTY AND SPACE IN SOUTHEAST 1/4 OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office