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This Document Prepared by

Meltzer Purtil & Stelle, LLC
300 S. Wacker Drive
Suite 3500
Chicago, Illinois 60606
Attn: Allen C. Balk



Doc#: 0634616045 Fee: \$42.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/12/2006 11:19 AM Pg: 1 of 10

After recording return to:

Geneva Capital Associates, LLC.
1521 N. Kautz Rd., Suite 600
West Chicago, IL 60185
Attn: A. Wayne Massey

This space reserved for Recorder's use only

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Re: MoMo, Chicago, Illinois

THIS AGREEMENT is made and entered into as of the 29th day of September, 2006, by and between LOEHMANN'S OPERATING CO., a Delaware corporation ("Tenant"), SMITHFIELD PROPERTIES XX, L.L.C., an Illinois limited liability company ("Landlord"), and GENEVA CAPITAL ASSOCIATES, LLC an Illinois limited liability company, its participants, successors and assigns ("Mortgagee").

RECITALS:

A. Mortgagee is the holder of a certain Mortgage and Security Agreement dated September 29, 2005 and recorded October 28, 2005 as document number 0530103118 (as amended from time to time "Mortgage") in the Office of the Recorder of Deeds of Cook County, Illinois encumbering the parcel of land legally described on **Exhibit A** attached hereto and made a part hereof ("Land") of which the Leased Premises (defined hereinafter) are a part and securing a principal indebtedness in the amount of Six Million and no/100 Dollars (\$6,000,000.00).

B. Tenant is concurrently herewith entering into a lease agreement (such lease agreement hereinafter being referred to as "Lease Agreement," and the Lease Agreement, together with all amendments and modifications thereof, hereinafter being referred to as "Lease") dated September 29, 2006 with Landlord, pursuant to which Tenant leased certain premises ("Leased Premises") consisting of approximately 27,000 rentable square feet of space located on the first and second floor in the 32 story mixed use building ("Building") on the Land (the Land and Building herein being collectively referred to as "Real Estate").

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

Near North National Title
222 N. LaSalle
Chicago, IL 60601

ok
BM

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1. Tenant represents and warrants to Mortgagee that the Lease constitutes the entire agreement between Tenant and Landlord with respect to the Leased Premises and there are no other agreements, written or verbal, governing the tenancy of Tenant with respect to the Leased Premises, except for the Memorandum of Lease.

2. Except with respect to any termination by Tenant pursuant to Sections 3.1 or 14.2 of the Lease or any termination by Tenant as a result of any casualty or condemnation as to which Mortgagee shall not be entitled to any notice from Tenant nor any right to cure; prior to pursuing any remedy available to Tenant under the Lease, at law or in equity as a result of any failure of Landlord to perform or observe any covenant, condition, provision or obligation to be performed or observed by Landlord under the Lease (any such failure hereinafter referred to as a "Landlord's Default"), Tenant shall: (a) provide Mortgagee with a notice of Landlord's Default specifying the nature thereof, the Section of the Lease under which same arose and the remedy which Tenant will elect under the terms of the Lease or otherwise, and (b) allow Mortgagee sixty (60) days following receipt of such notice of Landlord's Default to cure the same. Tenant shall not pursue any remedy available to it as a result of any Landlord's Default unless Mortgagee fails to cure same within the time period specified above. For purposes of this Paragraph 2, a Landlord's Default shall not be deemed to have occurred until all grace and/or cure periods applicable thereto under the Lease have lapsed without Landlord having effectuated a cure thereof.

3. Tenant covenants with Mortgagee that the Lease shall be subject and subordinate to the lien and all other provisions of the Mortgage and to all modifications and extensions thereof, to the full extent of all principal, interest and all other amounts now or hereafter secured thereby and with the same force and effect as if the Mortgage had been executed and delivered prior to the execution and delivery of the Lease. Without limiting the generality of the foregoing subordination provision, Tenant hereby agrees that any of its right, title and interest in and to insurance proceeds and condemnation awards (or other similar awards arising from eminent domain proceedings) with respect to damage to or the condemnation (or similar taking) of any of the Real Estate, shall be subject and subordinate to Mortgagee's right, title and interest in and to such proceeds and awards, provided, however, Mortgagee shall have no right title or interest whatsoever in insurance maintained by Tenant which shall in all cases remain the property of Tenant.

4. Tenant acknowledges that Landlord has collaterally assigned to Mortgagee all leases affecting the Real Estate, including the Lease, and the rents and other amounts, including, without limitation, lease termination fees, if any, due and payable under such leases. In connection therewith, Landlord hereby directs Tenant and Tenant agrees that, upon receipt of a notice of a default by Landlord under such assignment and a demand by Mortgagee for direct payment to Mortgagee of the rents due under the Lease, Tenant will honor such demand and make all subsequent rent payments directly to Mortgagee. Tenant further agrees that any Lease termination fees payable under the Lease shall be paid jointly to Landlord and Mortgagee.

5. Mortgagee agrees that so long as Tenant is not in default under the Lease beyond all applicable grace, notice and cure periods:

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(a) Tenant shall not be named or joined as a party in any suit, action or proceeding for the foreclosure of the Mortgage or the enforcement of any rights under the Mortgage (unless Tenant is a necessary party under applicable law); and

(b) The possession by Tenant of the Leased Premises and Tenant's rights thereto shall not be disturbed, affected or impaired by, nor will the Lease or the term thereof be terminated or otherwise materially adversely affected by (i) any suit, action or proceeding for the foreclosure of the Mortgage or the enforcement of any rights under the Mortgage, or by any judicial sale or execution or other sale of the Leased Premises, or any deed given in lieu of foreclosure, or (ii) any default under the Mortgage.

6. If Mortgagee or any future holder of the Mortgage shall become the owner of the Real Estate by reason of foreclosure of the Mortgage or otherwise, or if the Real Estate shall be sold as a result of any action or proceeding to foreclose the Mortgage or transfer of ownership by deed given in lieu of foreclosure, the Lease shall continue in full force and effect, without necessity for executing any new lease, as a direct lease between Tenant and the new owner of the Real Estate as "landlord" upon all the same terms, covenants and provisions contained in the Lease (subject to the exclusions set forth in subparagraph (b) below), and in such event:

(a) Tenant shall be bound to such new owner under all of the terms, covenants and provisions of the Lease for the remainder of the term thereof (including the extension periods, if Tenant elects or has elected to exercise its options to extend the term), and Tenant hereby agrees to attorn to such new owner and to recognize such new owner as "landlord" under the Lease without any additional documentation to effect such attornment (provided, however, if applicable law shall require additional documentation at the time Mortgagee exercises its remedies then Tenant shall execute such reasonably acceptable additional documents evidencing such attornment as may be required by applicable law);

(b) Such new owner shall be bound to Tenant under all of the terms, covenants and provisions of the Lease for the remainder of the term thereof (including the extension periods, if Tenant elects or has elected to exercise its options to extend the term); provided, however, that such new owner shall not be:

(i) liable for any act or omission of any prior landlord (including Landlord);

(ii) subject to any offsets or defenses which Tenant has against any prior landlord (including Landlord);

(iii) bound by any base rent, percentage rent, additional rent or any other amounts payable under the Lease which Tenant might have paid in advance for more than the current month to any prior landlord (including Landlord);

(iv) liable to refund or otherwise account to Tenant for any security deposit not actually paid over to such new owner by Landlord;

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(v) liable to return or otherwise account to Tenant for any Letter of Credit (as provided in the Lease) securing the Tenant's obligations under the Lease, unless such Letter of Credit is actually delivered to such new owner, and such new owner is named as the beneficiary therein.

(vi) bound by any amendment or modification of the Lease made without Mortgagee's consent;

(vii) bound by, or liable for any breach of, any representation or warranty or indemnity agreement contained in the Lease or otherwise made by any prior landlord (including Landlord); or

(viii) personally liable or obligated to perform any such term, covenant or provision, such new owner's liability being limited in all cases to its interest in the Real Estate.

7. Any notices, communications and waivers under this Agreement shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To Mortgagee: GENEVA CAPITAL ASSOCIATES, LLC
1525 Kautz Road, Suite 600
West Chicago, Illinois 60185
Attention: A. Wayne Massey

With a copy to: MELTZER, PURTILL & STELLE LLC.
300 S. Wacker Drive, Suite 3500
Chicago, Illinois 60606
Attention: Allen C. Balk

To Landlord: SMITHFIELD PROPERTIES XX, L.L.C.
400 W. Huron
Chicago, Illinois 60610
Attention: W. Harris Smith
Robert Buono

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With Copy to: Lawrence M. Gritton, Ltd.
400 W. Huron Street
Chicago, Illinois
Attention: Lawrence M. Gritton

To Tenant: Loehmann's Operating Co.
2500 Halsey Street
Bronx, NY 1046
Attn: Robert Glass, President and CEO

With Copy to: Loehmann's Operating Co.
2500 Halsey Street
Bronx, NY 1046
Attn: Karen Ceil Lapidus, Esq., General Counsel

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Paragraph shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received

8. Landlord agrees that notwithstanding anything to the contrary contained in this Agreement, in the Lease Agreement, or in any document or instrument which evidences and secures the Loan ("Loan Documents") any interest of the Tenant in or under any option or right of first refusal to purchase all or any part of the Leased Premises or the Real Estate is hereby specifically subordinated to the rights of Mortgagee under the Mortgage and the other Loan Documents and such option or right of the first refusal to purchase shall not be binding upon Mortgagee, its successors and assigns.

9. Mortgagee, Landlord and Tenant hereby waive to the fullest extent permitted by applicable law, the right to trial by jury in any action, proceeding or counterclaim filed by any one or more of them, whether in contract, tort, or otherwise relating directly or indirectly to this Agreement or any acts or omissions of Mortgagee, Landlord or Tenant in connection therewith or contemplated thereby.

10. The term "Mortgagee" shall mean the holder of the Mortgage (as the same may be assigned from time to time) and the term "Mortgage" shall mean the Mortgage as the same may be renewed, modified, replaced, extended or consolidated with other mortgages encumbering the Real Estate, subsequent to the date of the Lease Agreement.

11. Tenant acknowledges and agrees that Mortgagee will be relying on the representations, warranties, covenants and agreements of Tenant contained herein and that any default by Tenant hereunder continuing after notice and a reasonable opportunity to cure shall permit Mortgagee, at its option, to exercise any and all of its rights and remedies at law and in

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equity against Tenant and to join Tenant in a foreclosure action thereby terminating Tenant's right, title and interest in and to the Leased Premises.

12. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns and any nominees of Mortgagee, all of whom are entitled to rely upon the provisions hereof. This Agreement shall be governed by the laws of the State of Illinois.

13. This Agreement may be executed in multiple counterparts and all of such counterparts together shall constitute one and the same Agreement.

[remainder of page intentionally left blank]

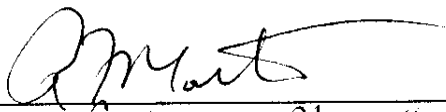
Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

Tenant:

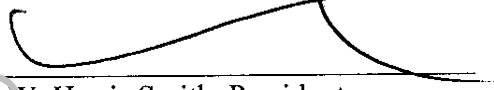
LOEHMANN'S OPERATING CO., a Delaware corporation

By: 
Name: E. Anna Chiosso
Title: VP


Landlord:

SMITHFIELD PROPERTIES XX, L.L.C., an Illinois limited liability company

By: Harris Management, Ltd., an Illinois corporation, its manager

By: 
W. Harris Smith, President

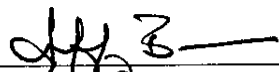
By: NorWco Corporation, an Illinois corporation, its manager

By: 
Robert Buono, President

Mortgagee:

GENEVA CAPITAL ASSOCIATES, LLC
an Illinois limited liability company

By: GENEVA INVESTMENTS MANAGEMENT SERVICES, INC., an Illinois corporation, its Manager

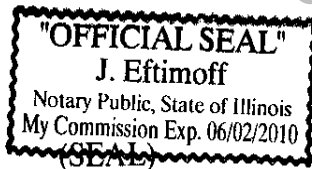
By: 
Its: Vice President

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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 W. Harris Smith, the President of Harris Management, Ltd., an Illinois corporation, and Robert Buono, the President of NorWol Corporation, an Illinois corporation, which are the managers of Smithfield Properties XX, L.L.C., ("SP") an Illinois limited liability company, and who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of SP, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 27th day of Sept, 2006.



J. Eftimoff
NOTARY PUBLIC

My Commission expires: 6/2/2010

STATE OF NEW YORK)
) SS.
COUNTY OF BRONX)

I, Karen Lapidus, a Notary Public in and for said County in the State aforesaid, do hereby certify that Richard Morretta, Vice President of Loehmann's Operating Co., a Delaware corporation, ("Tenant") who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of said Tenant, for the uses and purposes set forth therein.

Given under my hand and notarial seal on this 26th day of September, 2006.

Karen C. Lapidus
Notary Public

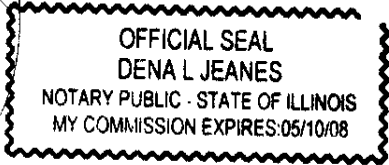
KAREN C. LAPIDUS
Notary Public, State of New York
No. 02LA8100878
Qualified in New York County
Commission Expires October 27 2007

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STATE OF ILLINOIS)
)
COUNTY OF COOK *Dena L. Jeanes* SS.

I, *Dena L. Jeanes*, a Notary Public in, and for, said County in the State aforesaid, do hereby certify that *Jeff Brown*, a *Vice President* of Geneva Investments Management Services, Inc., an Illinois corporation, ("GIMS") Manager, of Geneva Capital Associates, LLC, an Illinois corporation, ("Lender") who is personally known to be to be the same person whose name is subscribed to the foregoing instrument as such *officer*, appeared before me this day in person and acknowledged that he/she signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of said Lender, for the uses and purposes set forth therein.

Given under my hand and notarial seal on *Dena L. Jeanes*, 2006.
Dena L. Jeanes
Notary Public



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EXHIBIT A

Legal Description of Real Estate

LOTS 25 TO 31, INCLUSIVE, IN BLOCK 9 IN FORT DEARBORN ADDITION TO CHICAGO IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 151 North State Street, Chicago, Illinois 60601
PIN: 17-10-305-007-8001

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