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AFTER RECORDING RETURN TO:

HANCOCK FABRICS, INC.
P.O. BOX 2400
TUPELO, MS 38803-2400
ATTN: REAL ESTATE DEPT.

. DEPT-01 RECORDING \$39.00
. T#2222 TRAN 2535 04/22/92 16157100
. #3605 # B * -92-272028
. COOK COUNTY RECORDER

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT made as of this 19th day of February, 1992,
by and between REPUBLIC SAVINGS BANK, F.S.B., a federal savings
bank ("Bank"), and MINNESOTA FABRICS, INC., a Minnesota
corporation ("Tenant");

W I T N E S S E T H :

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WHEREAS, Bank is the: (1) mortgagee pursuant to a
Construction Mortgage, Assignment of Rents and Security Agreement
dated November 17, 1988, made by LaSalle National Bank, not
personally, but as Trustee under Trust Agreement dated
September 1, 1988 and known as Trust No. 113824 ("Landlord")
encumbering the premises described on Exhibit A attached hereto
(the "Property"), which mortgage was recorded in the Office of
the Recorder of Deeds of Cook County, Illinois on November 23,
1988 as Document No. 88542379; (2) assignee under that certain
Assignment of Rents, Leases and Management Agreement dated
November 17, 1988 and recorded November 23, 1988 as Document
No. 88542380 of said Official Records; and (3) secured party
under those certain Financing Statements recorded November 23,
1988 as Document Nos. 88 U 28955, and 88 U 28956 of said Official
Records, which Construction Mortgage, Assignment of Rents and
Security Agreement; Assignment of Rents, Leases and Management
Agreement; and Financing Statements are hereinafter collectively
referred to as the "Mortgage"); and

WHEREAS, Tenant and Landlord have entered into a lease (the
"Lease") dated November 19, 1991 which demises a portion of
the Property ("Leased Premises") to Tenant for a term of ten (10)
years giving Tenant the option to renew for two (2) additional
succeeding five (5) year periods; and

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WHEREAS, Bank and Tenant are willing to agree to subordinate the Lease subject to terms and conditions hereinafter provided;

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) paid by each to the other in cash and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein made, it is agreed as follows:

1. The Lease and Tenant's leasehold estate created thereby, including all rights and options shall be subject and subordinate in all respects to the lien of the Mortgage and to any advances made thereunder, and to any renewal, modification, or extension of same with the same force and effect as if the Mortgage had been executed, delivered and recorded prior to the execution and delivery of the Lease.

2. In the event of a foreclosure of the Mortgage or of a conveyance in lieu of foreclosure, which foreclosure or conveyance occurs prior to the expiration date of the Lease, including any extensions and renewals now provided for thereunder, and provided that Tenant is not in default in the performance or observance of any of the terms and provisions of this Agreement, and is not in default in the performance or observance of any of the terms, covenants, provisions, conditions, representations, warranties, agreements, or obligations contained in the Lease to be performed or observed by Tenant thereunder, beyond any applicable cure periods given to Tenant to cure such defaults, the Lease shall continue in full force and effect, and Bank hereby agrees that it shall not (i) join Tenant as an adverse or party defendant in any action or proceeding which may be instituted or commenced by Bank to foreclose or enforce the Mortgage, (ii) evict Tenant from the Leased Premises, (iii) affect Tenant's rights under the Lease by reason of any default under the Mortgage, or (iv) terminate or disturb Tenant's leasehold estate under the Lease, as it may be extended as aforesaid, by reason of any default by Landlord under the Mortgage; and Bank further agrees, on behalf of itself and on behalf of any "Foreclosure Purchaser," as hereinafter defined, to

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recognize all of the rights and interests of Tenant pursuant to the Lease and to perform all of the duties and responsibilities of the landlord under the Lease as a direct lease from and after the date Bank or such Foreclosure Purchaser takes title to the Property.

3. If Bank or any successors in interest to Bank shall succeed to the rights of Landlord under the Lease, whether through possession, surrender, assignment, judicial action, foreclosure action or delivery of a deed in lieu of foreclosure or otherwise, Tenant shall at once attorn to the successor Landlord as Tenant's Landlord, and Tenant and the successor Landlord shall promptly execute and deliver such instruments that either of them may reasonably request of the other to evidence such attornment and acceptance thereof and the recognition of the parties of all of the terms, provisions, covenants and privileges contained in the Lease and their agreement to be bound thereby from and after the date of such attornment and acceptance thereof.

4. In the event of any foreclosure of the Mortgage or conveyance in lieu of foreclosure, Bank and Tenant agree that Bank, or its successors or assigns, shall not in any way or to any extent (i) be bound by any previous modification or amendment of the Lease or by any previous prepayment of rent for a period greater than one (1) month, unless such previous modification, amendment or prepayment shall have been expressly approved in writing by Bank, or its successors or assigns, or (ii) be obligated or liable to Tenant with respect to a default in the construction and completion of the improvements of the Leased Premises for Tenant's use prior to the commencement of the term of the Lease; and Tenant shall have no right to assert any of the foregoing or any damages arising therefrom against Bank, or its successors or assigns; provided, however, that nothing in this Section 4(ii) shall affect Tenant's right to cure a default in the construction and completion of such improvements and to offset the cost of such cure against rent as provided in the

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Lease, so long as Tenant shall have given Bank notice of such default in the manner set forth in Section 8 hereof.

5. Tenant further agrees that in the event of a foreclosure of the Mortgage, the exercise of the power of sale thereunder or of a conveyance in lieu of foreclosure, which foreclosure, sale or conveyance occurs prior to the expiration date of the Lease, including any extensions and renewals of the Lease, Tenant hereby covenants and agrees to make full and complete attornment to Bank, or to the purchaser at a foreclosure sale ("Foreclosure Purchaser"), as the case may be, for the balance of the term of the Lease, including any extensions and renewals thereof, upon the same terms, covenants and conditions as therein provided, so as to establish direct privity of estate and contract as between Bank or the Foreclosure Purchaser, as the case may be, and Tenant, with the same force and effect as though the Lease were originally made directly from Bank, or the Foreclosure Purchaser, as the case may be, to Tenant, and Tenant will thereafter make all rent payments and other payments under the Lease directly to Bank or to the Foreclosure Purchaser, as the case may be, provided that Bank or the Foreclosure Purchaser, as the case may be, agrees in writing to be bound by all of the terms, provisions, covenants and privileges contained in the Lease from and after the date Bank or such Foreclosure Purchaser acquires title to the Property.

6. Tenant shall not pay an installment of rent or any part thereof more than one (1) month prior to the due date of such installment. Mortgagee shall not be bound or affected by any amendment or modification of the Lease without the written consent of Mortgagee, and Mortgagee agrees not to unreasonably withhold its consent to any such amendment or modification.

7. No modification, amendment, waiver or release of any provision of this Agreement or of any right, obligation, claim or cause of action arising hereunder shall be valid or binding for any purpose whatsoever unless in writing and duly executed by the party against whom the same is sought to be asserted.

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8. Tenant agrees to give Bank written notice of any default by Landlord under the Lease concurrently with the giving of notice of such default to Landlord, and Bank shall have the right, but not the obligation, to cure such default within the same and concurrent cure period given to Landlord. All notices, demands and requests given or required to be given hereunder shall be in writing and shall be deemed to have been properly given if served in person or if sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to Tenant: Minnesota Fabrics, Inc.
P.O. Box 2400
Tupelo, Mississippi 38803-2400
Attention: Real Estate Department

if to Bank: Republic Savings Bank, F.S.B.
216 West Jackson Boulevard
Suite 900
Chicago, Illinois 60606
Attention: James A. Ruckstaetter

with a copy to: Katten, Muchin & Zavis
525 West Monroe Street
Suite 1600
Chicago, Illinois 60606
Attention: Marcia W. Sullivan, Esq.

or to such other address or addresses as the above parties may from time to time designate by written notice to the other as herein required. Notices, demands and requests given by mail in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder on the date of receipt.

9. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors or assigns; provided, however, that upon the assignment of the interest of Bank hereunder, all obligations and liabilities of Bank under this Agreement, except for those liabilities which accrue after the date Bank takes title to the Property and are unperformed on the date of such assignment, shall terminate, and thereupon all such unaccrued obligations and liabilities shall be the responsibility of the party or parties to whom Bank's interest is so assigned.

10. Any provision of the Agreement which is unenforceable or invalid or contrary to law, or the inclusion of which would affect the validity, legality or enforcement of this Agreement,

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shall be of no effect, and in such case, all the remaining terms and provisions of this Agreement shall subsist and be fully effective according to the tenure of this Agreement the same as though any such invalid portion had never been included herein.

IN WITNESS WHEREOF, the parties have executed the foregoing Subordination, Non-Disturbance and Attornment Agreement as of the day and year first above written.

REPUBLIC SAVINGS BANK, F.S.B.,
a federal savings bank

ATTEST:

Linda S. Pruskowski
Its: *Bank Corporation Officer*

By: *James A. Ruckstaeck*
Name: *James A. Ruckstaeck*
Its: *Sr. Vice President*

MINNESOTA FABRICS, INC.,
a Minnesota corporation

By: *William D. Smothers*
Name: *William D. Smothers*
Its: *PRESIDENT*

By: *William D. Smothers*
Name: *WILLIAM D. SMOTHERS, VICE PRESIDENT*
Its: _____

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)

SS.

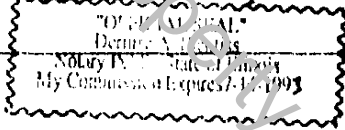
COUNTY OF COOK)

I, Derrise A. Prentiss, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY THAT James Buckstaefer the Sr. Vice President, and Cinda Kulikowski, the Loan Operations Officer of REPUBLIC SAVINGS BANK, F.S.B., a federal savings bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Sr. Vice President and Loan Operations Officer respectively, appeared before me this date 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 said bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21st day of February, 1992.

Derrise A. Prentiss

My Commission Expires:



STATE OF MISSISSIPPI)

SS.

COUNTY OF LEE)

I, W. Kenneth Jaeger, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Walter S. Sparks, the PRESIDENT, and William D. Smith the vice President of MINNESOTA FABRICS, INC., a Minnesota corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such PRESIDENT and VICE PRESIDENT respectively, appeared before me this date 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 said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 10th day of February, 1992.

W. Kenneth Jaeger

My Commission Expires:


My Commission Expires Feb. 21, 1992

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LEGAL DESCRIPTION:

THOSE PARTS OF SECTIONS 3 AND 4, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE WEST 1/4 CORNER OF AFORESAID SECTION 3, BEING ALSO THE EAST 1/4 OF AFORESAID SECTION 4; THENCE NORTH 09 DEGREES 16 MINUTES 30 SECONDS EAST ALONG THE WEST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 3, A DISTANCE OF 145.77 FEET TO THE SOUTHWEST CORNER OF A 1 ACRE TRACT OF LAND CONVEYED BY DEED RECORDED AS DOCUMENT 124931B TO THE PLACE OF BEGINNING; THENCE SOUTH 89 DEGREES 28 MINUTES 02 SECONDS WEST ALONG THE SOUTH LINE OF AFORESAID 1 ACRE TRACT, A DISTANCE OF 499.95 FEET TO THE EASTERLY LINE OF WAUKESHA ROAD, BEING 50 FEET NORTHEASTLY OF THE CENTERLINE THEREOF; THENCE SOUTH 27 DEGREES 01 MINUTES 40 SECONDS EAST ALONG SAID EASTERLY LINE, A DISTANCE OF 345.37 FEET TO A POINT ON THE NORTHERLY LINE OF THE ILLINOIS TOLL HIGHWAY; THENCE SOUTHEASTERLY ALONG SAID NORTHERLY LINE, SAID LINE BEING AN ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST, HAVING A RADIUS OF 2724.79 FEET, THE CHORD THEREOF HAVING A BEARING OF SOUTH 79 DEGREES 19 MINUTES 16 SECONDS EAST AND A LENGTH OF 576.00 FEET, AN ARC DISTANCE OF 597.20 FEET TO A POINT ON THE EAST LINE OF THE WEST 247.50 FEET OF THE SOUTHWEST 1/4 OF AFORESAID SECTION 3; THENCE SOUTH 0 DEGREE 40 MINUTES 23 SECONDS WEST PARALLEL WITH THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 3, SAID LINE BEING AN EAST LINE OF AFORESAID TOLL HIGHWAY, A DISTANCE OF 15.03 FEET TO ANOTHER NORTHERLY LINE OF AFORESAID TOLL HIGHWAY; THENCE SOUTHEASTERLY ALONG LAST DESCRIBED NORTHERLY LINE OF AFORESAID TOLL HIGHWAY, BEING AN ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST, HAVING A RADIUS OF 2739.79 FEET, THE CHORD THEREOF HAVING A BEARING OF SOUTH 85 DEGREES 40 MINUTES 02 SECONDS EAST AND A LENGTH OF 100.10 FEET, AN ARC DISTANCE OF 100.31 FEET TO A POINT ON THE EAST LINE OF THE WEST 347.50 FEET OF AFORESAID SOUTHWEST 1/4 OF SECTION 3; THENCE NORTH 0 DEGREES 40 MINUTES 23 SECONDS EAST PARALLEL WITH THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 3, A DISTANCE OF 296.80 FEET TO A POINT ON THE EAST AND WEST 1/4 LINE OF SAID SECT. OF 3; THENCE NORTH 00 DEGREES 36 MINUTES 30 SECONDS EAST ALONG THE EAST LINE OF THE WEST 347.50 FEET OF THE NORTHWEST 1/4 OF SAID SECTION 3, A DISTANCE OF 230.90 FEET TO A POINT ON THE SOUTH LINE OF BLOCK 5 IN GLEN-BROOK COUNTY, ILLINOIS, BEING A PART OF THE NORTHWEST 1/4 OF SAID SECTION 3 AND PART OF THE NORTHEAST 1/4 OF SECTION 4, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED MAY 23, 1946 AS DOCUMENT NO. 1480222; THENCE SOUTH 89 DEGREES 59 MINUTES 35 SECONDS WEST ALONG SAID SOUTH LINE OF BLOCK 5, A DISTANCE OF 347.50 FEET TO A POINT ON THE WEST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 3; THENCE SOUTH 00 DEGREES 36 MINUTES 30 SECONDS SOUTH ALONG SAID WEST LINE, A DISTANCE OF 84.06 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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 Notary Public

 Office