

SO LONG AS LESSEE IS NOT IN DEFAULT BEYOND ANY APPLICABLE NOTICE AND/OR GRAVE PERIOD UNDER ANY OF THE TERMS, COVENANTS AND CONDITIONS OF THE LEASE, MORTGAGEE WILL NOT JOIN LESSEE AS A PARTY DEFENDANT IN ANY ACTION OR PROCEEDING BASED UPON ANY DEFAULT UNDER THE MORTGAGE UNLESS SUCH JOINDER SUBORDINATION, NON-DISTURBANCE IS NECESSARY TO FORECLOSE THE MORTGAGE, AND THEN ONLY FOR SUCH PURPOSE AND NOT FOR THE PURPOSE OF TERMINATING THE LEASE, NOR SHALL SUCH ACTION RESULT IN A CANCELLATION, MODIFICATION OR TERMINATION

THIS AGREEMENT is made and entered into as of October 14, 1997, of the by and between WELLS FARGO BANK, NATIONAL ASSOCIATION, as agent for itself and certain other banks ("Lenders"), their respective successors and assigns (such agent hereinafter referred to as "Mortgagee" or "Wells Fargo"), and EDDIE BAUER, INC. ("Lessee").

RECITALS

A. Lenders are now or will be the owners and holders of certain Promissory Note(s) in the aggregate principal sum of up to Eighty Million Dollars (\$80,000,000) secured, inter alia, by one or more mortgages (collectively the "Mortgages") of even date therewith, which Mortgages constitute a lien or encumbrance on that certain real property more particularly described in the attached Exhibit "A" (the "Property").

B. Lessee is the holder of a leasehold estate covering a portion of the Property (the "demised premises") pursuant to the terms of that certain lease (the "Lease") dated September 14, 1995, and executed by Lessee and Gary Joint Venture, an Ohio general partnership ("Lessor").

C. Lessee and Mortgagee desire to conform their understanding with respect to the Lease and the Mortgages.

AGREEMENT

1. So long as Lessee is not in default (beyond any period given Lessee to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease on Lessee's part to be performed, Lessee's possession and occupancy of the demised premises shall not be interfered with or disturbed by Mortgagee during the term of the Lease or any extension thereof duly exercised by Lessee.

* SEE PARAGRAPH ABOVE

2. If the interests of Lessor shall be transferred to and/or owned by Mortgagee by reason of judicial foreclosure, power-of-sale foreclosure or other proceedings brought by it, or by any other manner, including but not limited to Mortgagee's exercise of its rights under any assignment(s) of leases and rents, and Mortgagee succeeds to the interest of the Lessor under the Lease, Lessee shall be bound to Mortgagee under all of the terms, covenants and conditions of the Lease for the balance of the remaining term thereof and any extension thereof duly exercised by Lessee, with the same force and effect as if Mortgagee were the Lessor under the Lease; and Lessee does hereby attorn to Mortgagee as its lessor, said attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon Mortgagee's succeeding to the interest of the Lessor under the Lease; provided, however, that Lessee shall be under no obligation to pay rent to Mortgagee until Lessee receives written notice from Mortgagee that it has succeeded to the interest of Lessor under the Lease or that it has the license granted to

Chicago Title Insurance Company

AND MORTGAGEE AGREES TO ASSUME AND PERFORM ALL OF THE OBLIGATIONS OF LANDLORD THEREUNDER

NOTICE PERIOD AND
MORTGAGEE'S
97 NOV 10 10:24
FILED
LAKE COUNTY
INDIANA
STATE OF INDIANA
COUNTY RECORDER
CARTER
OCCUPANTS RIGHTS PAYABLES

AND MORTGAGEE SHALL BE BOUND TO LESSEE UPON AND

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Lessor to collect rents as provided in the Mortgages. Subject to the terms of this Agreement, the respective rights and obligations of Lessee and Mortgagee upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extension, shall be and are the same as now set forth therein, it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length herein.

3. If Mortgagee shall succeed to the interest of Lessor under the Lease, Mortgagee shall, subject to the last sentence of this Section 3, be bound to Lessee under all of the terms, covenants and conditions of the Lease; provided, however, that Mortgagee shall not be:

UNLESS MORTGAGEE SHALL HAVE RECEIVED NOTICE THEREOF AND SAME HAS NOT BEEN CURED

- (a) Liable for any act or omission of any prior lessor (including Lessor); or
- (b) Subject to any offsets or defenses which Lessee might have against any prior lessor (including Lessor); or
EXCEPT AS OTHERWISE PROVIDED IN THE LEASE
- (c) Bound by any rent or additional rent or advance rent which Lessee might have paid for more than the current month to any prior lessor (including Lessor) and all such rent shall remain due and owing notwithstanding such advance payment; or
- (d) Bound by any ^{MATERIAL} amendment or modification of the Lease made without its consent and written approval; or
- (e) Bound by any covenant to undertake or complete any construction of the Property; or
- (f) Bound by any obligation of Lessor to make any payment to Lessee, except that (i) Mortgagee shall be liable for the timely return of any security or other deposit actually received by Mortgagee and (ii) Mortgagee shall be liable an account of any prepayments of rent or other charges owing to Lessee if the funds are actually received by Mortgagee; or
- (g) Bound by any obligation to repair, replace, rebuild or restore the Property, the demised premises, or any part thereof, in the event of damage by fire or other casualty, beyond such repair, replacement, rebuilding or restoration as can reasonably be accomplished with the use of the insurance proceeds actually received by or made available to Mortgagee; EXCEPT AS OTHERWISE PROVIDED IN THE LEASE.

Neither Wells Fargo nor any other party who, from time to time, shall be included in the definition of Mortgagee hereunder shall have any liability or responsibility under or pursuant to the terms of this Agreement after it ceases to own a fee interest in or to the property described on Exhibit "A". Notwithstanding anything to the contrary contained herein, officers, directors, shareholders, agents, servants and employees of Mortgagee shall have no personal liability to Tenant, and the liability of Mortgagee, in any event shall not exceed and shall be limited to Mortgagee's interest in the Property, [↑] INCLUDING THE RENTS, PROFITS AND PROCEEDS THEREFROM AND PROCEEDS FROM ANY CONDEMNATION AWARDS.
ESTATE AND PROPERTY

4. Subject to the terms of this Agreement (including but not limited to those in Section 2 hereof), the Lease now is, and shall at all times continue to be, subject and subordinate in each and every respect, to the Mortgagee and to any and all renewals, modifications, extensions, substitutions, replacements and/or consolidations of the Mortgages. ~~Nothing herein contained shall be deemed or construed as limiting or restricting the enforcement by Mortgagee of any of the terms, covenants, provisions or remedies of the Mortgages, whether or not consistent with the Lease.~~

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5. The term "Mortgagee" shall be deemed to include Wells Fargo, any of its successors and assigns, including anyone who shall have succeeded to Lessor's interest by, through or under judicial or power-of-sale foreclosure or other proceedings brought pursuant to the Mortgages, or deed in lieu of such foreclosure or proceedings, or otherwise.

6. In the absence of the prior written consent of Mortgagee, Lessee agrees not to do any of the following: (a) prepay the rent under the Lease for more than one (1) month in advance, (b) enter into any agreement with the Lessor to ^{materially} amend or modify the Lease, (c) voluntarily surrender the demised premises or terminate the Lease without cause, and (d) sublease or assign the demised premises.

7. In the event Lessor shall fail to perform or observe any of the terms, conditions or agreements in the Lease, Lessee shall give written notice thereof to Mortgagee and Mortgagee shall have the right (but not the obligation) to cure such failure. Lessee shall not take any action with respect to such failure under the Lease, including without limitation any action in order to terminate, rescind or avoid the Lease or to withhold any rent thereunder, for ~~a period of thirty (30) days~~ after receipt of such written notice by Mortgagee; provided, however, that in the case of any default which cannot with diligence be cured within ^{SUCH TIME PERIOD} said ~~30-day~~ period, if Mortgagee shall proceed promptly to cure such failure and thereafter prosecute the curing of such failure with diligence and continue, the time within which such failure may be cured shall be extended ~~for such period as may be necessary to complete the curing of such failure with diligence and continuity.~~

THE SAME PERIOD APPLIED TO
VARIOUS UNDER THE LEASE

WITHOUT WAIVING ANY OF ITS RIGHTS AGAINST
MORTGAGEE

8. This Agreement may not be modified orally or in any other manner that by an agreement in writing signed by the parties hereto and their respective successors and assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

9. This Agreement supersedes any and all agreements between Mortgagee (or any predecessor to Mortgagee) and Lessee (or any predecessor to Lessee) prior to the date hereof with respect to the Lease and the Mortgages.

10. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

OR BY OVERNIGHT COURIER SERVICE

11. All notices or other communications required or permitted to be given pursuant to the provisions hereof shall be in writing and shall be considered as properly given if ~~mailed~~^{sent} by first class United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering same in person to the intended addressee, or by ~~prepaid telegram~~^{prepaid}. Notice so given in person ~~or by telegram~~ shall be effective upon its deposit. Notice so given by mail shall be effective two (2) days after deposit in the United States mail. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the addresses of the parties shall be:

A NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE, WITH A RECEIPT PROVIDED THEREFOR AND ALL CHARGES PRE PAID

Lcssee:

Eddie Bauer, Inc.
15010 N. E. 36th Street P.O. Box 97000
Redmond, WA 98052 Redmond, WA 98073-9700
Attn: Real Estate Dept.

With a copy to:
Mortgagee:

Special, Inc.
3500 Lacey Road
Davenport, IA 52005-5432
Wells Fargo Bank, National Association
225 West Wacker Drive
Suite 2550
Chicago, Illinois 60606
Attention: Senior Loan Officer

With a copy to:

Wells Fargo Real Estate Group, Inc.
420 Montgomery Street, Floor 6
San Francisco, California 94163
Attention: Chief Credit Officer

provided, however, that any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other parties in the manner set forth hereinabove.

(SIGNATURE PAGE FOLLOWS)

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

Mortgagee:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as agent as described above

[CORPORATE SEAL]

By: Thomas Shaw
Its: (Vice) President

Attest:

Jean H. Zule

Lessee:

EDDIE BAUER, INC.

[CORPORATE SEAL]

By: Robert A. Shapiro
Its: (Vice) President

Attest:

Robert A. Shapiro
Vice President Real Estate

(Assistant) Secretary

TENANT
ACKNOWLEDGMENT FOR CORPORATION

STATE OF _____)
COUNTY OF _____)

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that (s)he is _____ Secretary of _____, a _____ corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by him/her as its _____ Secretary.

WITNESS my hand and notarial seal or stamp, this _____ day of _____, 1997.

Notary Public

My Commission Expires:

[Notarial Seal/Stamp]

TENANT
ACKNOWLEDGMENT FOR ~~INDIVIDUAL~~ CORPORATION

STATE OF Washington)
COUNTY OF King)

I, Kathleen A. Carroll, a Notary Public of the County and State aforesaid, certify that Robert A. Shapiro, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

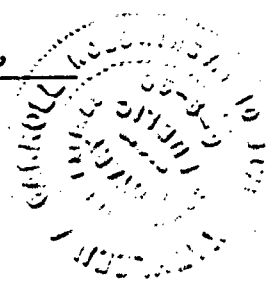
WITNESS my hand and notarial seal or stamp, this 9th day of September, 1997.

Kathleen A. Carroll
Notary Public

My Commission Expires:

8-9-98

[Notarial Seal/Stamp]



TENANT
ACKNOWLEDGMENT FOR PARTNERSHIP
WITH INDIVIDUAL GENERAL PARTNER(S)

STATE OF)
COUNTY OF)

I, _____, a Notary Public of the County and State aforesaid, certify that _____, general partner of _____, a general partner of _____, a _____ Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for and on behalf of said partnership.

WITNESS my hand and notarial seal or stamp, this _____ day of _____, 1997.

My Commission Expires: _____

[Notarial Seal/Stamp]

TENANT
ACKNOWLEDGMENT FOR PARTNERSHIP
WITH CORPORATE GENERAL PARTNER(S)

STATE OF)
COUNTY OF)

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that (s)he is the _____ Secretary of _____, a _____ corporation and that by the authority duly given and as the act of the corporation, acting as general partner of _____, a _____ partnership, and as the act of said partnership, the foregoing instrument was signed in the name of the corporation by its _____ President, sealed with its corporate seal and attested by him/her as its _____ Secretary.

WITNESS my hand and notarial seal or stamp, this _____ day of _____, 1997.

Notary Public

My Commission Expires: _____

[Notarial Seal/Stamp]

TENANT
ACKNOWLEDGMENT FOR LIMITED LIABILITY COMPANY
WITH CORPORATE MANAGER

STATE OF)
COUNTY OF)

I, _____, a Notary Public in and for said County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that (s)he is the _____ Secretary of _____, a _____ corporation, as Manager of _____, a _____ Limited Liability Company, and that by authority duly given and as the act of the corporation in its capacity as a Manager of said LLC, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by him/her as its _____ Secretary.

WITNESS my hand and notarial seal, this _____ day of _____, 1997.

Notary Public

My Commission Expires:

[Notarial Seal/Stamp]

TENANT
ACKNOWLEDGMENT FOR LIMITED LIABILITY COMPANY
WITH INDIVIDUAL MANAGER

STATE OF)
COUNTY OF)

I, _____, a Notary Public in and for said county and state, do hereby certify that _____, Manager of _____, a _____ Professional Limited Liability Company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for and on behalf of said limited liability company.

WITNESS my hand and notarial seal or stamp, this _____ day of _____, 1997.

Notary Public

My Commission Expires:

[Notarial Seal]

STATE OF Illinois)
) SS.
COUNTY OF COOK)

I, Carmel L. Andres, a notary public in and for said County, in the State
aforesaid, DO HEREBY CERTIFY THAT Thomas Schroeder, personally
known to me to be the Vice President of WELLS FARGO BANK, NATIONAL
ASSOCIATION, 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 acknowledged that as
such he/~~she~~ signed and delivered the said instrument pursuant to proper authority given by the
Board of Directors of said corporation, as his/~~her~~ free and voluntary act, and as the free and
voluntary act and deed of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 9th day of October, 1997.

Carmel L. Andres
Notary Public
[Seal]

My commission expires:

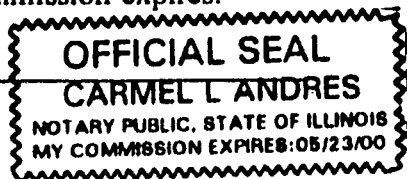


EXHIBIT A

Leasehold and fee interests
underlying the shopping center known as
Southlake Mall, located in Merrillville, Indiana

[May be replaced by metes and boundaries legal description]