

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into as of the 24 day of April, 2003, by and between the party described as Lender on the signature page hereto (together with its successors and assigns, (collectively the "Lender"), and Rack Room Shoes, Inc., a North Carolina corporation (the "Tenant").

WHEREAS, Lender has made a loan or is about to make a loan to Developers Diversified of Alabama, Inc., an Alabama corporation (the "Landlord") secured by a mortgage or deed of trust (hereinafter called the "Mortgage") covering a parcel of land described on Exhibit A annexed hereto and made a part hereof, together with the improvements now or hereafter erected thereon (said parcel of land and improvements thereon being hereafter called the "Real Property"); and

WHEREAS, by a certain lease heretofore entered into between Landlord and Tenant dated as of August 6, 1993 (the lease and all amendments, extensions and renewals thereto are hereinafter called the "Lease"), Landlord leased to Tenant a portion of the Real Property; and

WHEREAS, as a condition precedent to Tenant's agreement to enter into the Lease, Tenant has required that Lender agree not to disturb Tenant's rights under the Lease, in return for which Tenant has agreed that the Lease will be subordinate to the lien of the Mortgage;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, the parties agree as follows:

1. Subordination. Subject to Section 2, below, the Lease, the leasehold estate created thereby, and the rights of Tenant in, to or under the Lease and the portion of the Real Property, are hereby subjected and subordinated and shall remain in all respects and for all purposes subject, subordinate and junior to the lien of the Mortgage, as fully and with the same effect as if the Mortgage has been duly executed, acknowledged and recorded, and the indebtedness secured thereby had been fully disbursed, prior to the execution of the Lease, or possession of the portion of the Real Property by Tenant.
2. Tenant Not to Be Disturbed. So long as Tenant is not in default under the Lease (a) Lender shall not join Tenant as a party defendant in any action or proceeding foreclosing a Mortgage (unless required to foreclose the mortgage, and then only for such purpose and not for the purpose of termination of the Lease), in any eviction proceeding or in any action to terminate the Lease; (b) Lender, or any purchaser of the Real Property at foreclosure (a "Purchaser"), shall honor Tenant's rights and privileges under the Lease, including, but not limited to quiet enjoyment, any extensions or renewals thereof that may be exercised in

accordance with the Lease, and all provisions of the Lease with respect to use of insurance proceeds and eminent domain awards shall not be diminished or interfered with; and (c) Tenant's occupancy of the portion of the Real Property pursuant to the terms of the Lease shall not be disturbed by Lender or Purchaser. Lender, or any Purchaser, shall be bound to Tenant under all the terms, covenants and conditions of the Lease, and Tenant shall, from and after the succession to the interest of Landlord under the Lease by Lender or such Purchaser have the same remedies against Lender or such Purchaser for the breach of an agreement contained in the Lease that Tenant might have had under the Lease against the Landlord if Lender or such Purchaser had not succeeded to the interest of Landlord.

3. Tenant to Attorn to Lender. If the interests of Landlord shall be transferred to and owned by Lender by reason of foreclosure or other proceedings brought by it in lieu of or pursuant to a foreclosure, or by any other manner, and Lender succeeds to the interest of the Landlord under the Lease, Tenant shall be bound to Lender under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if Lender were the landlord under the Lease; and Tenant shall attorn to Lender, as its landlord. The respective rights and obligation of Tenant and Lender under the Lease following such attornment shall be and are the same as now set forth in the Lease, 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.
4. Notice and Cure of Landlord's Default. Tenant agrees to send Lender a copy of any notice relating to a breach or default by Landlord under the Lease. Tenant agrees that Lender may cure any such default within a reasonable period, but in no event longer than sixty (60) days measured from the date that Tenant delivers a copy of such notice to Lender.
5. No Modification. No modification, amendment, 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 executed by the party against whom the same is sought to be asserted.
6. Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be effective for all purposes if hand delivered to the party designated below, or if sent by (a) certified or registered United States mail, postage prepaid; or (b) nationally recognized overnight courier, either commercial or United States Postal Service, with proof of attempted delivery, addressed in either case as follows:

[CONTINUED ON NEXT PAGE]

To Tenant: **Rack Room Shoes, Inc.**
8310 Technology Drive
Charlotte, North Carolina 28262
Attn: General Counsel #195

To Lender: **Goldman Sachs Mortgage Company**
85 Broad Street
New York, New York 10004
Attn: J. Theodore Borter

with a copy to:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
Attn: Michael Weinberger, Esquire

To Landlord: **Developers Diversified of Alabama, Inc.**
Developers Diversified Realty Corporation
3300 Enterprise Parkway
Beachwood, Ohio 44122
Attn: General Counsel

or to such other address and persons shall be designated from time to time by either party in a written notice to the other in the manner provided for in this Paragraph. The notice shall be deemed to have been given at the time of delivery if hand delivered or, in the case of registered or certified mail, three (3) business days after deposit in the United States mail, or if by overnight courier, upon first attempted delivery on a business day.

7. Landlord Consent. Landlord is joining herein solely for the purpose of consenting to the terms and conditions of the Agreement and agreeing that Tenant may rely upon any and all notice from Lender relating to the rights of Lender hereunder and under the Mortgage without duty of further inquiry.
8. Successors and Assigns. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon the parties hereto and their heirs, administrators, representatives, successors and assigns.
9. Choice of Law. This Agreement is made and executed under and in all respects is to be governed and construed by the laws of the state in which the Real Property is located.
10. Counterparts. This Agreement may be executed in any number of counterparts for the convenience of the parties, all of which, when taken together and after execution by all parties hereto, shall constitute one and the same Agreement.

[SIGNATURE PAGE TO FOLLOW]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first written above.

LENDER:

Archon Financial, L.P.

By: Joseph M. Osborne

Name:

Title:

Joseph M. Osborne
General Counsel
Chief Operating Officer

Witnesses:

Kristi England

Printed Name: Kristi England

Kelly Wilson

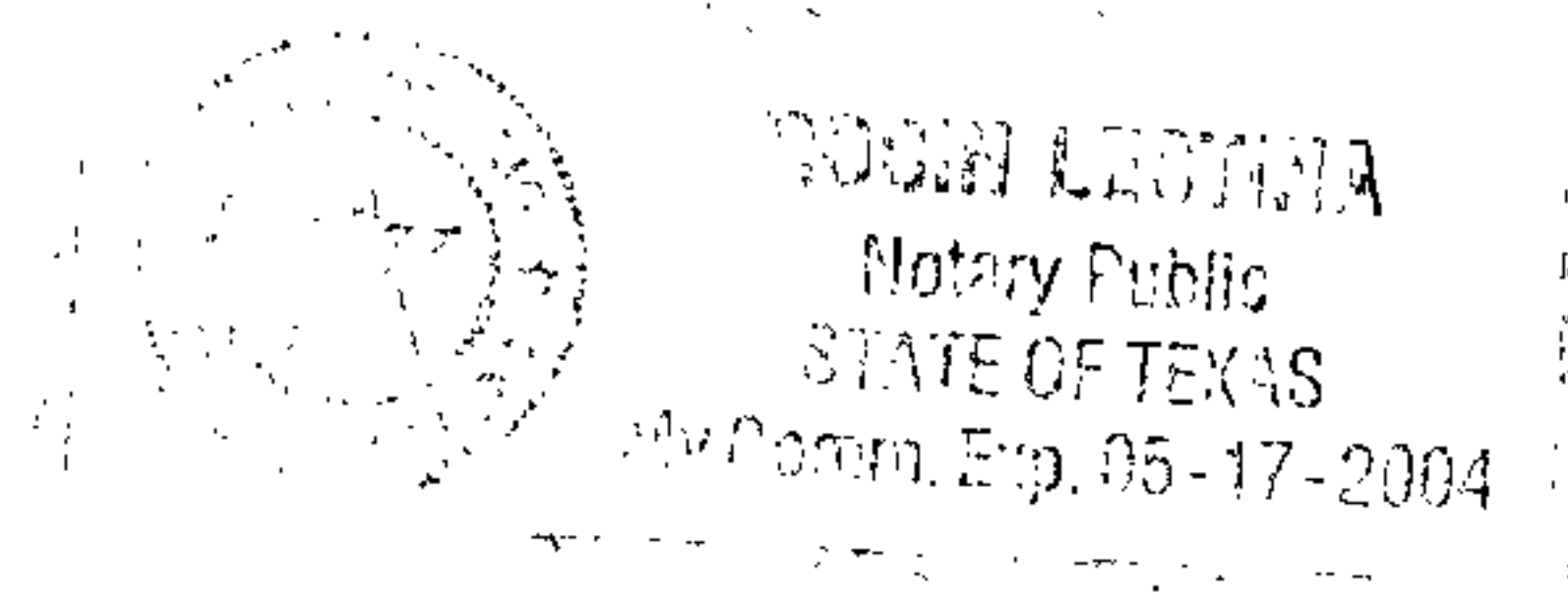
Printed Name: KELLY WILSON

State of Texas)
County of Dallas) ss.:

On the 24th day of March in the year 2003 before me, the undersigned, personally appeared Joseph Osborne, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Robin Lestina

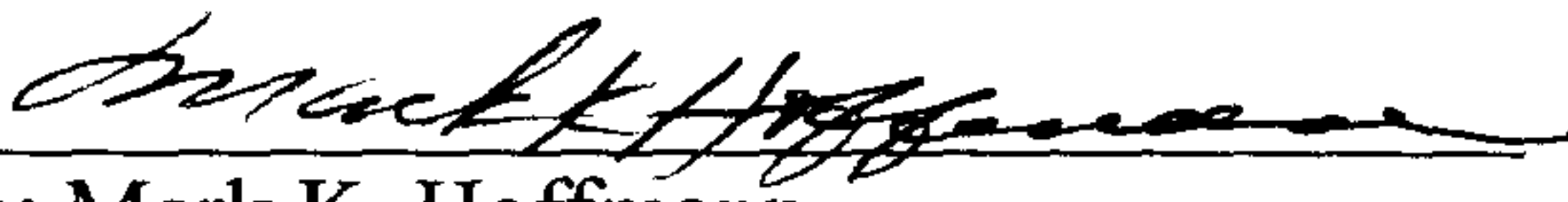
Signature and Office of individual
taking acknowledgment



IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as of the date first above written.

TENANT:

RACK ROOM SHOES, INC.

By: 
Title: Mark K. Hoffmann
Vice President Real Estate Development

Witness: 
Name: LaTrisha Clough, Paralegal

Witness: 
Name: LaTrisha Clough, Paralegal

LENDER:

GOLDMAN SACHS
MORTGAGE COMPANY

By: _____
Title: _____

Witness: _____
Name: _____

Witness: _____
Name: _____

SECORE FINANCIAL CORPORATION

By: _____
Title: _____

Witness: _____
Name: _____

Witness: _____
Name: _____

ARCHON FINANCIAL, LP

By: _____
Title: _____

Witness: _____
Name: _____

Witness: _____
Name: _____

LANDLORD:

DEVELOPERS DIVERSIFIED
OF ALABAMA, INC.

By: _____
Title: _____

Witness: _____
Name: _____

Witness: _____
Name: _____

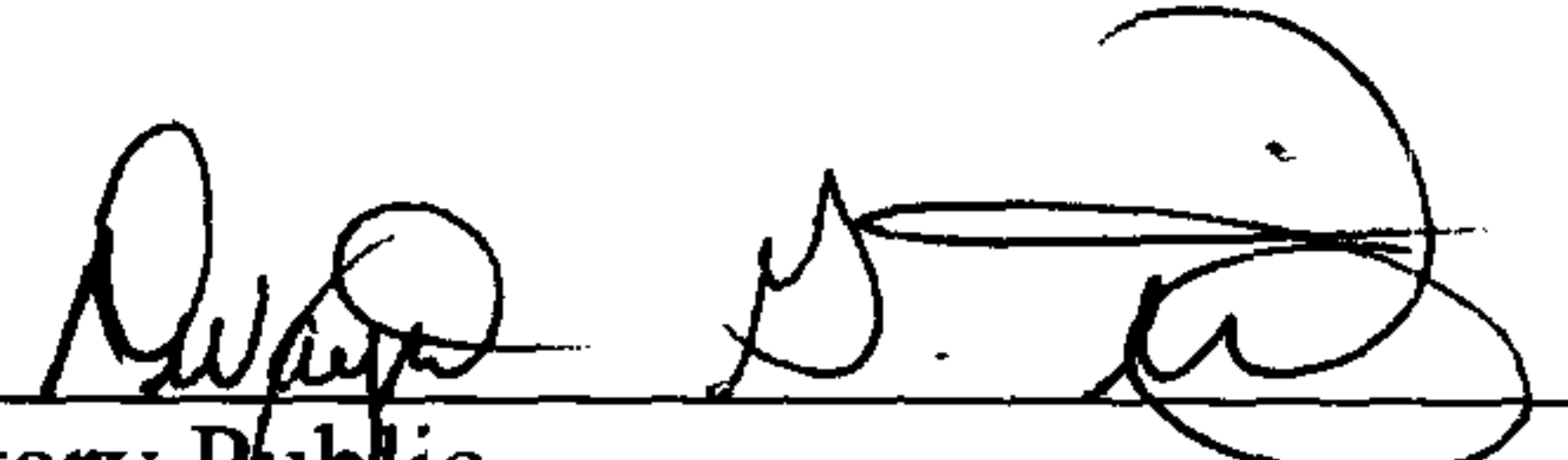


Acknowledgement of Tenant

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

On this 20 day of February, 2003, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Mark K. Hoffmann, Vice President of Rack Room Shoes, Inc., a North Carolina corporation, who is personally known to me to be the person who executed the foregoing Subordination, Non-Disturbance and Attornment Agreement as Vice President of Rack Room Shoes, Inc., and as Vice President duly acknowledged the execution of the same as an act of Rack Room Shoes, Inc., a North Carolina corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.



Notary Public

My commission expires 9-11-2006.

Acknowledgement of Lenders

STATE OF }
 }
COUNTY OF }

On this _____ day of _____, 2003, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, _____ of Goldman Sachs Mortgage Company, who is personally known to me to be the same person who executed the foregoing Subordination, Non-Disturbance and Attornment Agreement as _____, and as _____ duly acknowledged the execution of the same as an act of Goldman Sachs Mortgage Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last above written.

Notary Public

My commission expires _____.



LANDLORD:

Developers Diversified of Alabama, Inc.,
an Alabama corporation

By: Joan U. Allgood
Joan U. Allgood, Vice President

Witnesses:

Kathleen Michel

Printed Name: KATHLEEN MICHEL

Paula Jones

Printed Name: PAULA JONES

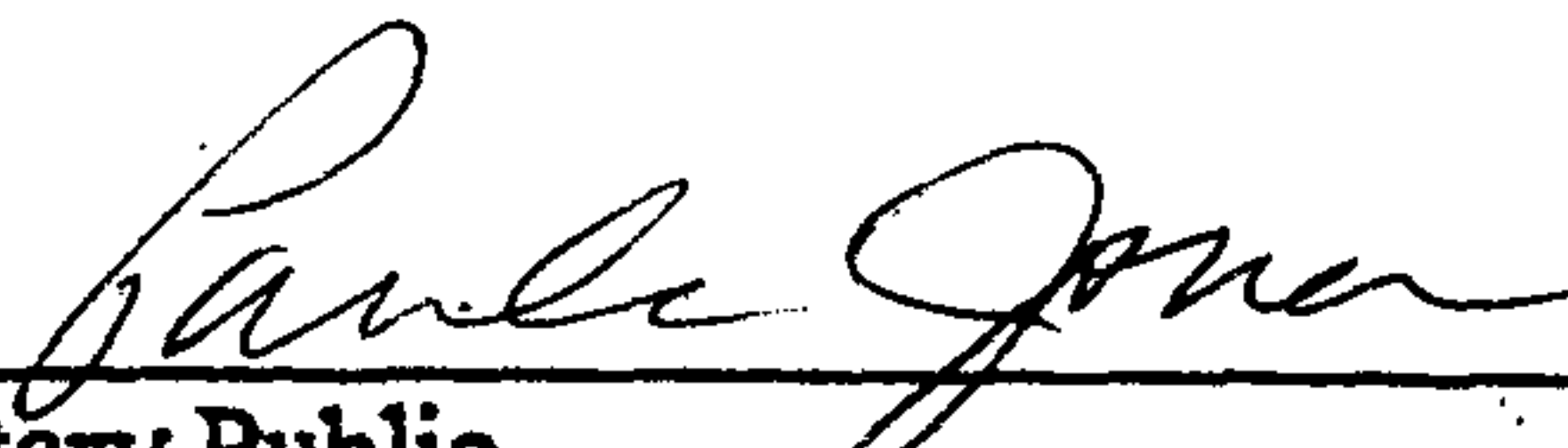
STATE OF OHIO)

)SS:

COUNTY OF CUYAHOGA)

BEFORE ME, a Notary Public in and for said County and State, personally appeared Joan U. Allgood, known to me to be the Senior Vice President of Developers Diversified Realty Corporation, the corporation which executed the foregoing instrument, who acknowledged that she did sign and seal the foregoing instrument for and on behalf of said corporation being thereunto duly authorized by its Board of Directors that the same is her free act and deed as such officer and the free at and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Beachwood, Ohio this 2nd day of April, 2003.



Notary Public

PAULA JONES, Notary Public
State of Ohio, Cuyahoga County
My Commission Expires Jan. 11, 2004

**Fidelity National Title Insurance Company
of New York**



EXHIBIT A
(page 1 of 3)

EXHIBIT "A" (PHASE 1)

The Land referred to in this Commitment is described as follows:

PARCEL 1

LOTS 1, 1A, 2, 2A, ACCORDING TO THE BROOK HIGHLAND PLAZA RESURVEY, AS RECORD IN MAP BOOK 18M PAGE 99 IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA, BEING SITUATED IN SHELBY COUNTY, ALABAMA.

TOGETHER WITH ALL FO THE BENEFICIAL RIGHTS AND INTERESTS IN THE EASEMENT UNDER THE FOLLOWING INSTRUMENTS:

1). DECLARATION OF EASEMENTS AND RESTRICTIONS CONVENATS (BROOK HIGHLAND DEVELOPMENT-1.35 ACRES OUT PARCEL) BY AMSOUTH BANK N.A. AS ANCILLARY TRUSTEE FOR NBNC NATIONAL BANK OF NORTH CAROLINA, AS TRUSTEE FOR THE PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO, DATED AUGUST 29, 1990, AND RECORDED IN REAL 307, PAGE 985, IN SAID PROBATE OFFICE.

2.) EASEMENT AGREEMENT DATED OCTOBER 12, 1993, BY AN BETWEEN AMSOUTH BANK N.A., AS ANCILLARY TRUSTEE FOR NATIONSBANK OF NORTH CAROLINA, N.A. AS TRUSTEE FOR THE PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO, AND BROOK HIGHLAND LIMITED PARTNERSHIP, A GEORGIA LIMITED PARTNERSHIP RECORDED AS INSTRUMENT # 1993-32515 IN SAID PROBATE OFFICE.

PARCEL 2

ALL BENEFICIAL RIGHTS IN EASEMENTS GRANTED TO DEVELOPERS DIVERSIFIED OF ALABAMA CORP., BY THE EASEMENT AGREEMENT DATED DECEMBER 30, 1994, BY AND BETWEEN BROOK HIGHLAND LIMITED PARTNERSHIP AND DEVELOPERS DIVERSIFIED OF ALABAMA., AS RECORDED AS RECORDED AS INSTRUMENT NO. 1994-37773 IN PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.

ALL BEING SITUATED IN SHELBY COUNTY, ALABAMA.



**Fidelity National Title Insurance Company
of New York**

EXHIBIT "A" (Phase II)
(page 2 of 3)

The Land referred to in this Commitment is described as follows:

**ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN SECTION 31 ,
TOWNSHIP 18 SOUTH RANGE 1 WEST, SHELBY COUNTY, ALABAMA BEING
MORE PARTICULARLY DESCRIBED AS FOLLOWS;**

**BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER
OF SECTION 31, TOWNSHIP 18 SOUTH, RANGE 1 WEST, SHELBY COUNTY,
ALABAMA BEING SOUTH 89° 31'51" WEST A DISTANCE OF 848.96 FEET FROM
THE NORTHEAST CORNER OF LOT 1, BROOK HIGHLAND PLAZA RESURVEY
(MAP BOOK 18, PAGE 99);**

**THENCE RUN SOUTH 89°31'51" WEST A DISTANCE OF 50.00 FEET TO A POINT.
THENCE RUN SOUTH 00°38'38" EAST A DISTANCE OF 300.00 FEET TO A POINT;
THENCE RUN NORTH 89° 37'51" EAST A DISTANCE OF 20.00 FEET TO A POINT;
THENCE RUN SOUTH 01° 36'53" EAST A DISTANCE OF 295.07 FEET TO A POINT;
THENCE RUN SOUTH 89°31'51" WEST A DISTANCE OF 225.00 FEET TO A POINT;
THENCE RUN SOUTH 00°38'38" EAST A DISTANCE OF 145.41 FEET TO A POINT;
THENCE RUN SOUTH 88°24'44" WEST A DISTANCE OF 150.94 FEET TO A POINT;
THENCE RUN ALONG THE ARC OF A CURVE AN ARC DISTANCE OF 325.14 FEET
(SAID CURVE HAVING A RADIUS OF 910.27 FEET A CHORD BEARING OF NORTH
81°24'44" WEST A CHORD DISTANCE OF 323.42 FEET) TO A POINT;
THENCE RUN NORTH 71°10'44" WEST A DISTANCE OF 90.62 FEET TO A POINT;
THENCE RUN NORTH 64° 18'36" WEST A DISTANCE OF 37.79 FEET TO A POINT;
THENCE RUN NORTH 73°31'00" WEST A DISTANCE OF 110.98 FEET TO A POINT;
THENCE RUN NORTH 56 °07'21" WEST A DISTANCE OF 73.40 FEET TO A POINT;
LOCATED ON THE TO A POINT LOCATED ON THE EASTERLY RIGHT OF WAY
LINE OF BROOK-HIGHLAND PARKWAY (RIGHT OF WAY VARIES);
THENCE RUN ALONG AND COINCIDENT WITH THE EASTERLY RIGHT OF WAY
LINE OF BROOK HIGHLAND PARKWAY NORTH 16°29'00" EAST A DISTANCE OF
206.74 FEET TO A POINT;
THENCE RUN ALONG THE COINCIDENT WITH THE EASTERLY RIGHT OF WAY
LINE FO BROOK HIGHLAND PARKWAY NORTH 73°31'00" WEST A DISTANCE OF
12.00 FEET TO A POINT; THENCE RUN ALONG AND COINCIDENT WITH THE
EASTERLY RIGHT OF WAY LINE OF BROOK HIGHLAND PARKWAY, ALONG**



**Fidelity National Title Insurance Company
of New York**

**THE ARC OF A CURVE AN ARC DISTANCE OF 254.68 FEET (SAID CURVE HAVING A RADIUS OF 310.47 FEET, A CHORD BEARING OF NORTH 39°59'00" EAST, AND A CHORD DISTANCE OF 247.60 FEET) TO A POINT;
THENCE RUN ALONG AND COINCIDENT WITH THE EASTERLY RIGHT OF WAY LINE OF BROOK HIGHLAND PARKWAY NORTH 26°31'00" WEST A DISTANCE OF 12.00 FEET TO A POINT;
THENCE RUN ALONG AND COINCIDENT WITH THE EASTERLY RIGHT OF WAY LINE OF BROOK HIGHLAND PARKWAY NORTH 63°29'00" A DISTANCE OF 518.37 FEET TO A POINT; THENCE RUN ALONG AND COINCIDENT WITH THE EASTERLY RIGHT OF WAY LINE OF BROOK HIGHLAND PARKWAY 29°31'00" WEST A DISTANCE OF 20.00 FEET TO A POINT;
THENCE RUN ALONG AND COINCIDENT WITH THE EASTERLY RIGHT OF WAY LINE OF BROOK HIGHLAND PARKWAY, ALONG THE ARC OF A CURVE AN ARC DISTANCE OF 501.28 FEET (SAID CURVE HAVING A RADIUS OF 635.12 FEET, A CHORD BEARING OF NORTH 40°52'21" EAST, A CHORD DISTANCE OF 488.37 FEET) TO A POINT; THENCE LEAVING THE RIGHT OF WAY LINE OF BROOK HIGHLAND PARKWAY RUN SOUTH 89°50'48" EAST, A DISTANCE OF 85.21 FEET TO A POINT; THENCE RUN SOUTH 00°38'38" EAST, A DISTANCE OF 355.06 FEET TO A POINT; SAID POINT BEING THE POINT OF BEGINNING.**

SAID TRACT BEING DESIGNATED AS PROPOSED "PHASE II" ON THAT CERTAIN SURVEY FOR A.B. SHOPPING CENTERS PROPERTIES, PREPARED BY CARR & ASSOCIATES ENGINEERS, INC., BEARING THE SEAL AND CERTIFICATION OF BARTON F. CARR, REGISTERED PROFESSIONAL LAND SURVEYOR NO 16685, DATED NOVEMBER 25, 1994, LAST REVISED DECEMBER 21, 1994.