

16.5 Non-Disturbance. Tenant's agreement to subordinate or attorn pursuant to Section 16.1 and 16.4 is expressly contingent upon Tenant receiving a commercially reasonable and acceptable non-disturbance agreement at no cost to Tenant.

17.0 DEFAULT, REMEDIES

17.1 Default. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(a) Any failure by Tenant to pay the rent or any other monetary sums required paid hereunder (where such failure continues for ten (10) days after the due date);

(b) The abandonment or vacation of any Leased Property by the Tenant or the sale by Tenant of all or a part of the Restaurant Operations, unless pursuant to a permitted assignment or sublease pursuant to Section 15, or pursuant to a temporary cessation of business due to casualty or remodeling;

(c) A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for thirty (30) days after written notice thereof by the Landlord to the Tenant. However, if the nature of the default is such that the default cannot be reasonably cured within the thirty (30) day period, Tenant shall not be deemed to be in default if Tenant shall within such period of time commence such cure and thereafter diligently prosecute the same to completion;

(d) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or of a petition for reorganization or arrangement under any law relating to bankruptcy; the appointment of a trustee or receiver to take possession of substantially all of the Tenant's assets located at any Premises or of Tenant's interest in this Lease where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at any Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; and

(e) The default by Tenant under any of the Other Leases, which default can be cured only by the payment of all rent and other amounts due under the Other Leases.

17.2 Remedies. In the event of any such material default or breach by Tenant, Landlord may, at any time thereafter, without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned any Leased Property. In the event Landlord elects not to terminate the Lease, Landlord shall have the right to attempt to relet all or any portion of any Leased Property at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve any Leased Property as Landlord deems reasonable and necessary without electing to terminate the Lease, including removal of all persons and property from each Leased Property;

(b) Terminate Tenant's right to possession of one or more (including all) of all Leased Property by any lawful means, in which case this Lease shall terminate with respect to such Leased Property (collectively the "Terminated Leased Property") and Tenant shall immediately surrender possession of the Terminated Leased Property to the Landlord. In such event Landlord shall be entitled to recover possession of the Terminated Leased Property from Tenant and those claiming through or under Tenant, and Landlord may continue the Restaurant Operations itself or through an affiliate, pursuant to the License Agreement in the form of Exhibit H attached to the Purchase Agreement. Such termination of this Lease and repossession of the Terminated Leased Property shall be without prejudice to any remedies which Landlord might otherwise have for arrears of rent or for a prior breach of the provisions of this Lease. In case of such termination, Tenant shall indemnify Landlord against all costs and expenses and loss of rent (loss of rent for the Terminated Leased Property shall be determined in accordance with Exhibit D). Items of expense for which Tenant shall indemnify Landlord shall include the costs and expenses incurred in collecting amounts due from Tenant under this Lease (including reasonable attorneys' fees, litigation expenses and the like); the damages incurred by Landlord by reason of Tenant's default, including, the cost of recovering possession of the Terminated Premises, expenses of reletting including necessary repairs of the Leased Property; and all Landlord's other reasonable expenditure proximately caused by the termination. All sums due in respect of the foregoing shall be due and payable immediately upon notice from Landlord that a cost or expense has been incurred without regard to whether the cost or expense was incurred before or after the termination of this Lease. In the event proceedings are brought under the Bankruptcy Code, including proceedings brought by Landlord which relate in any way to this Lease including, without limitation, proceedings for the termination, assumption or assignment thereof, or proceedings to secure adequate protection for Landlord or proceedings involving objections to the allowance of Landlord's claim, then Landlord shall be paid, in addition to any and all amounts due Landlord pursuant to the terms of this Lease, such further amount as shall be sufficient to cover all costs and expenses incurred by Landlord with respect to the proceeding, which costs and expenses shall include the reasonable compensation, costs, expenses, disbursements and advances of Landlord, its agents and attorneys.

Landlord may elect by written notice to Tenant within 60 days following such termination to be indemnified for loss of rent by a lump sum payment representing the difference between the amount of rent which would have been paid in accordance with this Lease for the Terminated Leased Property for the remainder of the Lease term (using the Base Rent which would have been paid in accordance with this Lease plus all taxes, insurance and other expenses required to be paid by Tenant hereunder) and the

aggregate fair market rent of the Terminated Leased Property for the remainder of the Lease term, estimated as of the date of the termination, both of which amounts shall be discounted using a discount rate equal to Treasury Securities with maturity date approximately equal to the remaining term of the Lease.

Should Landlord fail to make the election provided for above, Tenant shall indemnify Landlord for the loss of rent by a payment at the end of each month during the remaining Lease term representing the difference between the rent which would have been paid in accordance with this Lease and the rent actually received by Landlord with respect to the Premises (using the Base Rent which would have been paid in accordance with this Lease plus all taxes, insurance and other expenses required to be paid by Tenant hereunder). Without any previous notice or demand separate actions may be maintained by Landlord against Tenant from time to time to recover any damages which, at the commencement of any action, have then or theretofore become due and payable to Landlord under this Article without waiting until the end of the original term of this Lease.

In the event that this Lease shall be terminated as hereinabove provided or by summary proceedings or otherwise, Landlord may at any time and from time to time relet the Terminated Leased Property in whole or in part either in its own name or as agent of Tenant for any period equal to or greater or less than the remainder of the then current term of this Lease for any rental which it may deem reasonable to any Tenant it may deem suitable and satisfactory and for any use and purpose which it may deem appropriate. Upon each reletting all rentals received by Landlord from such reletting shall be applied first to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting and of such alterations and repairs as are necessary for the reletting; third to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. Upon a reletting of the Terminated Leased Property, Landlord shall not in any event be required to pay Tenant any surplus of any sums received by the Landlord in excess of the rent payable in accordance with this Lease. Unpaid installments of rent or other monies due shall bear interest from the date due at the lesser of (i) ten percent (10.0%) per annum, or (ii) the maximum non-usurious interest rate.

17.3 Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or deed of trust covering any Leased Property. Accordingly, if any installment of rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after such amount shall be due, Tenant shall pay to Landlord as additional rent a late charge equal to five percent (5.00%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of late payment by Tenant.

17.4 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than ten (10) days after written notice by Tenant to Landlord and to the Mortgagee specifying wherein Landlord has failed to perform such obligation, provided, however, that if the nature of Landlord's obligation is such that more than ten (10) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such ten (10) day period and thereafter diligently prosecutes same to completion. Tenant agrees that Mortgagee shall have the right to cure such default on behalf of Landlord within ten (10) calendar days after receipt of such notice, provided, however, that if the nature of the obligation is such that more than ten (10) days are required for performance, then Landlord shall not be in default if Mortgagee commences performance within such ten (10) day period and thereafter diligently prosecutes same to completion. Tenant further agrees not to invoke any of its remedies under this Lease until said ten (10) days have elapsed. Each of the time periods provided herein shall be extended while performance is delayed due to a force majeure cause, such as weather, unavailability of materials, strike, etc.

18.0 MISCELLANEOUS

18.1 Estoppel Certificate.

(a) Tenant shall at any time upon not less than ten (10) days prior written notice from Landlord or Mortgagee, execute, and deliver to Landlord or Mortgagee, as the case may be, a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), and the date to which the rent and other charges are paid in advance, if any, (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) containing such additional information as may be reasonably requested by Landlord or Mortgagee. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of any Leased Property.

(b) Landlord shall at any time upon not less than ten (10) days prior written notice from Tenant, execute, and deliver to Tenant a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Landlord's knowledge, any uncured defaults on the part of Tenant hereunder, or specifying such defaults if any are claimed.

(c) Either party's failure to deliver such statement within such time shall be conclusive upon the other party (i) that this Lease is in full force and effect, without modification except as may be represented by such party, (ii) that there are no uncured defaults in the other party's performance, and (iii) that not more than one month's rent has been paid in advance.

18.2 Transfer of Landlord's Interest. In the event of a bona fide sale or conveyance by Landlord of Landlord's interest in any Leased Property or in any other property in which any Premises may be a part, other than a transfer for security purposes only, if Landlord is not in default under any provision of this Lease, Landlord shall be relieved from and after the date specified in any such notice of transfer of all obligations and liabilities accruing thereafter on the part of the Landlord with respect to the transferred Leased Property, provided that any funds in the hands of Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of the Landlord and provided Landlord's assignee assumes all such obligations. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

18.3 Captions; Attachment; Defined Terms.

(a) Captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease.

(b) Exhibits attached hereto, and addendums and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease and are incorporated herein.

18.4 Entire Agreement. This instrument along with any exhibits and attachments hereto constitutes the entire agreement between Landlord and Tenant relative to the Leased Property. This agreement and the exhibits and attachments may be altered, amended, or revoked only by an instrument in writing signed by both Landlord and Tenant. Landlord and Tenant hereby agree that all prior or contemporaneous oral agreements between and among themselves and their agents or representatives relating to the leasing of any Leased Property are merged into or revoked by this agreement.

18.5 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

18.6 Time; Joint and Several Liability. Time is of the essence of this Lease in each and every provision hereof. All the terms, covenants, and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity.

18.7 Waiver. No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by the other party of the same or any other provision. Either party's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of such party's express written consent to or approval of any subsequent act by the other party. The acceptance of rent hereunder by Landlord shall not be a waiver of any succeeding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such succeeding breach at the time of acceptance of such rent.

18.8 Surrender of Premises. The voluntary or other surrender of this Lease by the Tenant, or mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to him or any or all such subleases or subtenancies.

18.9 Holding Over. If Tenant remains in possession of all or any part of any Leased Property after the expiration of the term of this Lease, with or without the express or implied consent of the Landlord, such tenancy shall be from month to month only, and not a renewal of this Lease or an extension for any further term. In such case, rent and other monetary sums due hereunder shall be payable in the amount and at the time specified in this Lease and such month-to-month tenancy shall be subject to every other term, covenant, and agreement contained herein. Notwithstanding the foregoing to the contrary, in the event that Tenant holds over without the consent of Landlord, the rent during any holdover period shall be one hundred and fifty percent (150%) the average rent that was due during the last year of the Lease term.

18.10 Signs.

(a) Tenant shall have the right to erect signs advertising Tenant's Restaurant Operation in accordance with legal requirements.

(b) Any signs maintained by Tenant shall be removed at the expiration or earlier termination of the Lease at Tenant's expense and Tenant shall repair any damage to any Leased Property resulting from such removal. If Tenant fails to do so, Landlord may cause such removal and repair on Tenant's behalf at Tenant's expense.

18.11 Reasonable Consent. Except as limited elsewhere in this Lease, wherever in this Lease Landlord and/or Tenant is required to give its/his consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld or delayed. In the event of failure to give any such consent, the other party shall be entitled to specific performance of law and shall have such other remedies as are reserved to it under this Lease, but in no event shall Landlord or Tenant be responsible in monetary damages for failure to give consent unless consent is withheld maliciously or in bad faith.

18.12 Interest on Past-Due Obligations. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at the lesser of (i) ten percent (10.0%) per annum or (ii) the maximum non-usurious interest rate from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease. Payment of such interest is in addition to the late charge specified in section 17.3 of this Lease.

18.13 Recording. Tenant shall not record this Lease without Landlord's prior express written consent. Landlord and Tenant shall, at the request of either and at Tenant's expense, execute and record a short form or memo of Lease.

18.14 Costs of Suit.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of any Leased Property, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs. Such fees and costs shall include those fees and costs incurred at trial, on appeal, or in any bankruptcy proceeding.

(b) Should either party, without the fault of such party ("Indemnatee"), be made a party to any litigation instituted by the other party ("Indemnitor") or by any third party against Indemnitor, or by or against any person holding under or using any Leased Property by license of Indemnitor, or for the foreclosure of any lien for labor, material furnished to or for Indemnitor or any such other person or otherwise arising out of or resulting from any act or transaction of Indemnitor, or of any such person, Indemnitor covenants to defend, indemnify, and hold Indemnatee harmless from any judgement rendered against Indemnatee or any Leased Property, or any part thereof, and all costs and expenses, including reasonable attorney fees, incurred by Indemnatee in or in connection with such litigation.

18.15 Binding Effect; Choice of Law. The parties hereto agree that all provisions hereof are to be construed as both covenants, and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof. Subject to any provisions hereof restricting assignment or subletting by the Tenant, all of the provisions hereof shall bind and inure to the benefit of the parties hereto, their respective heirs, legal representative, assigns, and successors. This Lease shall be governed by the laws of the State of California.

18.16. Waiver of Jury Trial. EACH OF THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS LEASE OR ANY EXHIBIT HERETO, OR ANY COURSE OF CONDUCT, COURSE OF DEALING OR STATEMENTS (WHETHER VERBAL OR WRITTEN) MADE BY THE PARTIES HEREIN.

18.17 Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation, and that this Lease is binding upon said corporation in accordance with its terms.

18.18 Representation of Landlord. Landlord represents and warrants that (i) it holds fee or leasehold title to the Leased Property subject to the Lease and has full power and authority to enter into this Lease; and (ii) each individual executing this Lease on behalf of Landlord represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporate general partner of Landlord in accordance with a duly adopted resolution of the Board of Directors of said corporation, and that this Lease is binding upon Landlord in accordance with its terms.

18.19 Triple Net Lease. It is the intent of Landlord and Tenant that this Lease shall be an absolute triple-net lease, and that all costs, expenses or charges with respect to the Leased Property are the responsibility of Tenant. All obligations of Tenant hereunder for taxes, insurance and maintenance shall be considered as additional rent owing under this Lease.

18.20 Personal Property Rental. During the Term of this Lease, Tenant shall be entitled to use Landlord's Personal Property in the Restaurant Operations. Tenant shall keep the Personal Property in good working order and repair (normal wear and tear excepted), shall not remove the Personal Property from the Premises and shall not permit any lien or other encumbrance to attach to the Personal Property. Notwithstanding the foregoing, Tenant shall be entitled to remove the Personal Property as long as it is replaced with property of substantially equal value and subject to the provisions hereof. Tenant shall keep the Personal Property insured and shall be responsible for any casualty or other loss to the Personal Property or occasioned by the Personal Property. Tenant shall at all times have a system in place to identify the Personal Property from any trade fixtures or equipment of Tenant, and any items of Personal Property not so identified shall conclusively be presumed to be the property of Landlord. At the expiration of the Term of the Lease, Tenant shall return all Personal Property to Landlord. Tenant shall receive no credit against any amounts due hereunder due to the obsolescence or other decrease in value of the Personal Property.

18.21 Notices. Any notice provided or permitted to be given under this Lease must be in writing and may be served by depositing same in the United States mail, addressed to the party to be notified, postage prepaid and certified, with return receipt requested, by delivering the same in person to such party, by reputable courier, or by delivering the same by confirmed facsimile. Notice given in accordance herewith shall be effective upon the earlier of receipt at the address of the addressee or on the second (2nd) day following deposit of same in the United States mail as provided for herein, regardless of whether same is actually received. For purposes of notice, the addresses of the parties shall be as follows:

If to Tenant: c/o Paragon of Michigan, Inc.
10200 Willow Creek Road
San Diego, California 92131
Telephone No. 858-689-2333
Facsimile No. 858-689-0211

If to Landlord: P.S. Realty Partners, L.P.
735 Montgomery Street, Suite 205
San Francisco, California 94111
Attn: Rick Ronald
Telephone No. 415-616-5146
Facsimile No. 415-616-5144

Either party may change its address for notice by giving ten (10) days prior written notice thereof to the other party.

18.22 Landlord's Lien. As security for the performance of Tenant's obligations under this Lease, Tenant grants to Landlord a lien upon and security interest in Tenant's existing or hereafter acquired Equipment; provided, however, that Landlord hereby does and shall continue and execute such documents as may be necessary to subordinate such lien and security interest to any existing or future lien or security interest granted by Tenant in or to any of the Equipment as security for indebtedness provided by an institutional lender if all or a part of such indebtedness is used for the benefit of the business conducted by Tenant at the Leased Property or to refinance such indebtedness existing. Landlord shall be entitled to exercise any and all rights and remedies at law and in equity in connection with any rights of Landlord under this Section. Subject to the rights of any lender described above, Tenant shall not, except in the ordinary course of business, sell, transfer or remove from the Leased Property the Equipment, unless the restaurant location is closed, abandoned, assigned or sublet in compliance with the terms of this Lease. Landlord shall prepare and Tenant shall execute a financing statement to perfect the Landlord's lien and security interest.

18.23 Non-Competition. Tenant agrees that at any time during the Term hereof and for a period of two (2) years following the expiration of the Term, Tenant and any affiliate of Tenant will not operate a restaurant within two (2) miles of more than one (1) of the Leased Premises serving food which is identical to or substantially similar to the restaurant at the Leased Premises.

18.24 Brokers. Tenant represents that it has not been represented in any negotiations concerning this Lease by a broker, and hereby indemnifies Landlord, its officers, directors, employees, agents, and affiliates against any claim for brokerage commissions.

18.25 Right of First Refusal. At any time after the second anniversary of the Rent Commencement Date, if Landlord receives an offer to purchase one or more of the Buildings which is acceptable to Landlord, Landlord shall provide written notice ("Offer Notice") to Tenant of each of the material terms of such offer. Provided that Tenant is not in default hereunder, Tenant shall have a period of thirty (30) days from receipt of the Offer Notice to respond to Landlord in writing if it agrees to purchase the Buildings pursuant to the terms set forth in the Offer Notice. If Tenant fails to agree to purchase the Buildings, Landlord may thereafter sell the Buildings in accordance with the terms set forth in the Offer Notice. Tenant's right of first refusal shall not apply to the following transactions: (i) portfolio sales where the Building is a part of a group of properties; (ii) sales to affiliates of the Landlord; (iii) sales where the consideration is not payable in substantial part in cash; and (iv) foreclosure of a mortgage lien or a deed in lieu of foreclosure.

18.26 Substitution of Leased Premises. In the event that Tenant determines that Restaurant Operations at the Leased Premises are no longer economical and it desires to terminate such operations (other than on account of casualty or condemnation), it shall give irrevocable written notice to Landlord, together with a list of at least five (5) restaurant properties owned in fee simple by Tenant (and its affiliates), of approximately equal value to the Leased Premises to be vacated ("Vacated Property"). Landlord may request appraisals on up to three (3) properties on the list provided by Tenant from an appraiser mutually acceptable to Landlord and Tenant, at Tenant's expense. If Landlord is satisfied with the appraisal report with respect to any property ("Exchange Property"), Landlord, in Landlord's sole discretion, may agree to exchange the Vacated Property for the Exchange Property, provided that Tenant provides Landlord, at Tenant's expense, with title commitments and title policies, current surveys, current phase I reports and operating statements for the prior three (3) years with respect to the Exchange Property (or such shorter period of time that Tenant has operated such Property), all in form reasonably acceptable to Landlord. If the exchange of properties is consummated, the Vacated Property will be removed from the provision of the Lease and Tenant will close all Restaurant Operations at the Vacated Property, and the Exchange Property will be added to the Lease without any other change in the terms or conditions thereof. This Section 18.25 shall not apply during the occurrence and continuance of any event of default hereunder, or during the final five (5) year period of the term of this Lease, and is subject to the prior written consent of Mortgagee, which may be withheld in Mortgagee's sole discretion.


[SIGNATURES ON FOLLOWING PAGE]

LANDLORD:

P.S. REALTY PARTNERS, L.P.

By: SKYLINE-PARAGON, LLC

By: SKYLINE PACIFIC PROPERTIES, LLC

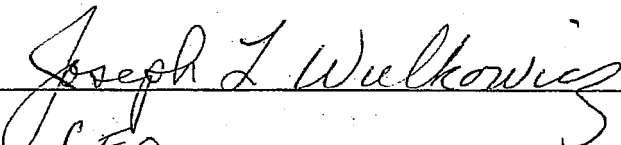
By: 

Its: renter

TENANT:

PARAGON OF MICHIGAN, INC.,

a Wisconsin corporation

By: 

Its: CFO

STATE OF TEXAS

§

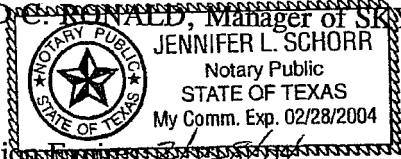
COUNTY OF DALLAS

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This instrument was acknowledged before me on the 6th day of JULY, 2000,
by ~~RICHARD C. RONALD, Manager of SKYLINE PACIFIC PROPERTIES, LLC.~~

(seal)



My Commission Expires: 2/28/04

Jennifer L. Schorr
NOTARY PUBLIC FOR
THE STATE OF TEXAS

STATE OF TEXAS

§

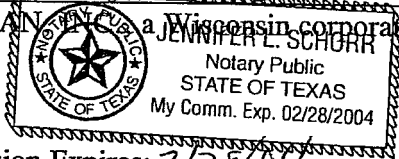
COUNTY OF DALLAS

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This instrument was acknowledged before me on the 6th day of JULY, 2000,
by Joseph Jankowski, CFO, of PARAGON OF MICHIGAN, INC., a Wisconsin corporation, on behalf of said corporation.

(seal)



My Commission Expires: 2/28/04

Jennifer L. Schorr
NOTARY PUBLIC FOR
THE STATE OF TEXAS

Exhibit A

Land in the City of Troy, County of Oakland, State of Michigan, described as:

PARCEL I (Being a portion of Parcel 3, Liber 6474, Page 595)

Part of Lots 39 and 40 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42; Oakland County Records), said parcel being in the Northeast 1/4 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 382.91 feet along the East and West 1/4 line of Section 27 and North 01 degrees 17 minutes 34 seconds East, 8.0 feet from the East 1/4 corner of Section 27, Town 2 North, Range 11 East; thence North 88 degrees 42 minutes 26 seconds West, 100.00 feet; thence North 01 degrees 17 minutes 34 seconds East, 230.00 feet; thence South 88 degrees 42 minutes 26 seconds East, 100.00 feet; thence South 01 degrees 17 minutes 34 seconds West, 230.00 feet to the Point of Beginning (EXCEPTING therefrom any portion thereof lying within Parcel III below)

PARCEL II (Being a portion of Parcel 3, Liber 6474, Page 595)

An exclusive perpetual easement for the purposes of ingress, egress, driveways, landscaping, parking areas and incidental thereto, and for utilities including gas (propane gas tanks), electricity, water, telephone, sewers, storm drains, trash enclosures, building roof overhang and the erection and maintenance of identification signs and appurtenances thereto in, over, under and across the following described property:

Part of Lots 39 and 40 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42, Oakland County Records), and part of Lots 436, 437, 438 and 439 of STUMPF'S BEECH GROVE SUBDIVISION (Liber 32, Page 11, Oakland County Records), said parcel being in the East 1/2 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 365.10 feet, along the East and West 1/4 line of Section 27 from the East 1/4 corner of Section 27, Town 2 North, Range 11 East; thence along the Northerly right-of-way line of Rochester Road, South 60 degrees 20 minutes 45 seconds West, 102.58 feet; thence North 01 degrees 03 minutes 21 seconds East, 69.98 feet; thence North 50 degrees 55 minutes 44 seconds West, 43.70 feet; thence North 01 degrees 17 minutes 34 seconds East, 260.21 feet; thence along the North line of said Lot 40, South 88 degrees 48 minutes 58 seconds East, 165.45 feet; thence along the Westerly line of Stephenson Highway (M-150), South 32 degrees 29 minutes 05 seconds East, 2.37 feet and South 29 degrees 39 minutes 15 seconds East, 100.88 feet and Southerly 178.65 feet, along a curve concave to the West (Radius of 125.00 feet, central angle of 81 degrees 53 minutes 10 seconds long chord bears South 11 degrees 17 minutes 20 seconds West, 163.83 feet) and South 52 degrees 13 minutes 55 seconds West, 86.80 feet to the Point of Beginning (EXCEPTING therefrom any portion thereof lying within Parcel I above described, as set forth in Liber 6903, Page 709, Oakland County Records).

PARCEL III:

Non-exclusive easements to be used in common with others for ingress, egress, driveway, utilities and storm drain purposes in, over, under and across those certain parcels of land numbered 2 and 4, as shown on the Certificate of Survey recorded in Liber 6474, Page 592, Oakland County Records, said parcels being more particularly described as follows:

(Parcel 2, Liber 6474, Page 592): Part of Lots 39 and 40 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42, Oakland County Records) and part of Lot 436 of STUMPF'S BEECH GROVE SUBDIVISION (Liber 32, Page 11, Oakland County Records) Said parcel being in the East 1/2 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 365.10 feet along the East and West 1/4 line of Section 27 and South 60 degrees 20 minutes 45 seconds West, 102.58 feet along the Northerly right-of-way line of Rochester Road from the East 1/4 corner of Section 27, Town 2 North, Range 11 East, said point being also the most Southerly corner of Parcel II, above described; thence along the Northerly right-of-way line of Rochester Road, South 60 degrees 20 minutes 45 seconds West, 44.20 feet; thence along the West line of said Lot 436, North 01 degrees 03 minutes 21 seconds East, 75.48 feet; thence along the East and West 1/4 line of Section 27, North 88 degrees 42 minutes 26 seconds West 20.62 feet; thence North 01 degrees 17 minutes 34 seconds East, 304.17 feet; thence along the North line of said Lot 40, South 88 degrees 48 minutes 58 seconds East, 24.00 feet to the Northwest corner of parcel II above described; thence South 01 degrees 17 minutes 34 seconds West along the West line of Parcel II above described, 260.21 feet; thence South 50 degrees 55 minutes 44 seconds East, 43.70 feet; thence South 01 degrees 03 minutes 21 seconds West, 69.98 feet to

Exhibit A
(continued)

PARCEL 4

Non-exclusive easements to be used in common with others for ingress, egress, driveway, utilities and storm drain purposes in, over, under and across those certain parcels of land described as follows: Part of Lot 40, Supervisor's Plat No. 10, according to the recorded plat thereof, as recorded in Liber 46 of Plats, Page 42, Oakland County Records, said parcel being in the Northeast 1/4 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 511.91 feet along the East and West 1/4 line of Section 27 and North 01 degrees 17 minutes 34 seconds East, 140.00 feet from the East 1/4 corner of Section 27, Town 2 North, Range 11 East, said point being on the West line of Parcel 2 shown on plat recorded in Liber 6474, Page 592; thence North 88 degrees 42 minutes 26 seconds West, 269.44 feet; thence along the West line of said Lot 40, North 13 degrees 27 minutes 30 seconds East, 24.55 feet; thence South 88 degrees 42 minutes 26 seconds East, 264.27 feet to a point on the West line of Parcel 2 shown on plat recorded in Liber 6474, page 592; thence South 01 degrees 17 minutes 34 seconds West, 24.00 feet to the Point of Beginning as set forth in Liber 6903, Page 712, Oakland County Records.

PARCEL IV:

An easement for the use, connection, installation, maintenance, repair or replacement of water main in, over, under and across those certain parcels of land shown on the Certificate of Survey recorded in Liber 6474, Page 595, Oakland County Records, said parcels being more particularly described as follows:

WATER MAIN-EASEMENT "A"

(Liber 6474, Page 595):

A 12-foot wide easement over part of Lot 4 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42, Oakland County Records), said easement being in the Northeast 1/4 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 58 degrees 42 minutes 26 seconds West, 511.91 feet along the East and West 1/4 line of Section 27 and North 01 degrees 17 minutes 34 seconds East, 132.23 feet from the East 1/4 corner of Section 27, Town 2 North, Range 11 East; thence South 21 degrees 50 minutes 47 seconds West, 7.72 feet; thence North 88 degrees 42 minutes 26 seconds West, 269.96 feet; thence along the West line of said Lot 40, North 13 degrees 27 minutes 30 seconds East, 12.28 feet; thence South 88 degrees 42 minutes 26 seconds East, 259.06 feet; thence North 21 degrees 50 minutes 47 seconds East, 31.41 feet; thence South 01 degrees 17 minutes 34 seconds West, 34.18 feet to the Point of Beginning, as set forth in Liber 6903, Page 712, Oakland County Records.

WATER MAIN-EASEMENT "B"

(Liber 6474, Page. 595):

A 12-foot wide easement over part of Lot 40 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42, Oakland County Records), said easement being in the Northeast 1/4 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 511.91 feet along the East and West 1/4 line of Section 27 and North 01 degrees 17 minutes 34 seconds East, 132.23 feet from the East 1/4 corner of Section 27, Town 2 North, Range 11 East; thence North 01 degrees 17 minutes 34 seconds East, 34.18 feet; thence North 21 degrees 50 minutes 47 seconds East, 68.36 feet; thence South 01 degrees 17 minutes 34 seconds West, 34.18 feet; thence South 21 degrees 50 minutes 47 seconds West, 68.36 feet to the Point of Beginning, as set forth in Liber 6903, Page 712, Oakland County Records.

Exhibit A
(continued)

SEWER MAIN-EASEMENT "C"

(Liber 6474, Page 595)

12-foot wide easement over part of Lot 40 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42, Oakland County Records), said easement being in the Northeast 1/4 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 511.91 feet from the East and West 1/4 line of Section 27 and North 01 degrees 17 minutes 34 seconds East, 132.23 feet and North 21 degrees 47 minutes 47 seconds East 68.36 feet from the East 1/4 corner of Section 27, Town 2 North, Range 11 East; thence North 01 degrees 17 minutes 34 seconds East, 34.18 feet; thence North 21 degrees 51 minutes 47 seconds East, 15.67 feet; thence North 01 degrees 17 minutes 34 seconds East, 16.50 feet; thence North 87 degrees 12 minutes 02 seconds East, 178.65; thence along the westerly line of Stephenson Highway (M-150) South 29 degrees 39 minutes 15 seconds East, 13.45 feet; thence South 87 degrees 02 minutes 02 seconds West, 173.55 feet; thence South 01 degrees 17 minutes 34 seconds West, 7.50 feet; thence South 21 degrees 50 minutes 47 seconds West, 49.85 feet to the Point of Beginning as set forth in Liber 6903, Page 712, Oakland County Records.

SEWER EASEMENT "V":

12-foot wide easement for the use, connection, installation, maintenance, repair or replacement of a sanitary sewer line in, over, under and across those certain parcels of land shown on the Certificate of Survey recorded in Liber 6474, Page 595, Oakland County Records. The parcels being more particularly described as follows:

SEWER EASEMENT "D"

(Liber 6474, Page 595):

12-foot wide easement over part of Lot 40 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42, Oakland County Records), said easement being in the Northeast 1/4 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 511.91 feet from the East and West 1/4 line of Section 27 and North 01 degrees 17 minutes 34 seconds East, 154.65 feet from the East 1/4 corner of Section 27, Town 2 North, Range 11 East; thence North 84 degrees 42 minutes 15 seconds West, 262.96 feet; thence along the West line of said Lot 40, North 13 degrees 27 minutes 30 seconds East, 12.12 feet; thence South 84 degrees 42 minutes 15 seconds East, 260.40 feet; thence South 01 degrees 17 minutes 34 seconds West, 12.03 feet to the Point of Beginning, as set forth in Liber 6903, Page 712, Oakland County Records.

SEWER EASEMENT "E"

(Liber 6474, Page 595):

12-foot wide easement over part of Lot 40 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42, Oakland County Records), said easement being in the Northeast 1/4 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 511.91 feet from the East and West 1/4 line of Section 27 and North 01 degrees 17 minutes 34 seconds East, 154.68 feet from the East 1/4 corner of Section 27, Town 2 North, Range 11 East; thence North 01 degrees 17 minutes 34 seconds West, 12.03 feet; thence South 84 degrees 42 minutes 15 seconds East 19.05 feet; thence South 01 degrees 17 minutes 34 seconds West, 12.03 feet; thence North 84 degrees 42 minutes 15 seconds West, 24.06 feet to the Point of Beginning, as set forth in Liber 6903, Page 712, Oakland County Records.

SEWER EASEMENT "F"

(Liber 6474, Page 595)

12-foot wide easement over part of Lot 40 of SUPERVISORS PLAT NO. 10 (Liber 46, Page 42, Oakland County Records), said easement being in the Northeast 1/4 of Section 27, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan, being more particularly described as follows: Beginning at a point which is North 88 degrees 42 minutes 26 seconds West, 511.91 feet from the East and West 1/4 line of Section 27 and North 01 degrees 17 minutes 34 seconds East, 154.68 feet and South 84 degrees 42 minutes 15 seconds East, 24.06 feet from the East 1/4 corner of Section 27, Town 2 North, Range 11 East; thence North 01 degrees 17 minutes 34 seconds East, 12.03 feet; thence South 84 degrees 42 minutes 15 seconds East, 19.05 feet; thence South 01 degrees 17 minutes 34 seconds West, 12.03 feet; thence North 84 degrees 42 minutes 15 seconds West, 19.05 feet to the Point of Beginning, as set forth in Liber 6903, Page 712, Oakland County Records.

Exhibit A
(continued)

PARCEL VI:

lots 1, 2 and the Northerly 1/2 of Lot 3, Lots 6, 7 and part of Lot 8, Lots 431, 432, 433 and part of Lots 429, 430, 434 and 435, including part of vacated Brinston Street and part of vacated alley of STUMPF'S BEECH GROVE SUBDIVISION, according to the recorded plat thereof, as recorded in Plat Liber 32, Page 11, Oakland County Records, more particularly described as:

Beginning at the Northwest corner of said Lot 1; thence South 89 degrees 48 minutes 23 seconds East, 302.89 feet along the Northerly line of said Lot 1, Alley, and Lots 431 through 435 to the Northeast corner of said Lot 435; thence South 00 degrees 11 minutes 23 seconds West, 75.76 feet along the East line of said Lot 435 to a point on the Northerly right-of-way line of Rochester Road; thence South 59 degrees 14 minutes 48 seconds West, 111.95 feet along said Northerly right-of-way line to a point on the centerline of vacated Brinston Street (50 feet wide); thence North 89 degrees 36 minutes 23 seconds West, 63.31 feet along said centerline of vacated Brinston Street to a point of intersection of the Easterly line of said Lot 429 extended Northerly to said centerline of vacated Brinston Street; thence South 00 degrees 11 minutes 28 seconds West, 38.18 feet along the extension and Easterly line of said Lot 429 to a point on the Northerly right-of-way line of Rochester Road; thence South 59 degrees 14 minutes 48 seconds West, 112.45 feet along said Northerly right-of-way line of Rochester Road to a point on the Southerly line of said Lot 8; thence North 77 degrees 14 minutes 23 seconds West, 94.44 feet along the South line of said Lot 8 to the Southwest corner of said Lot 8, also being a point on the Easterly right-of-way line of Rochester Court; thence North 12 degrees 23 minutes 37 seconds East, 78.45 feet along said Easterly right-of-way line of Rochester Court, also being the Westerly line of Lots 8, 7 and 6, and extension thereof to the centerline of vacated Brinston Street; thence South 89 degrees 36 minutes 23 seconds East, 112.45 feet along said centerline of vacated Brinston Street (50 feet wide); thence North 12 degrees 24 minutes 01 seconds East, 62.19 feet along said centerline of vacated alley to a point of intersection of the Southerly line of the Northerly 1/2 of said Lot 3, extended with the centerline of the vacated alley; thence North 89 degrees 36 minutes 23 seconds West, 110.00 feet along said line to a point on the Westerly line of said Lot 3, also being the Easterly right-of-way line of Rochester Court; thence North 12 degrees 23 minutes 37 seconds East, 50.00 feet along the Westerly line of said Lot 3, 2 and 1, also being said Easterly right-of-way line of Rochester Court to the Point of Beginning.

EXCEPTING THEREFROM that portion conveyed by Foodmaker, Inc., a Delaware corporation to Ruth A. Jackson in Deed dated November 6, 1979, more particularly described as follows:

All of Lots 6, 7 and part of Lot 8, and 1/2 of the vacated street and alley adjacent thereto located in STUMPF'S BEECH GROVE SUBDIVISION, according to the recorded plat thereof, as recorded in Plat Liber 32, Pages 11 and 12, Oakland County Records EXCEPT any portion thence lying within the road right-of-way.

PARCEL VII:

All that part of Lot 428 and the South 1/2 of vacated Brinston Street, of STUMPF'S BEECH GROVE SUBDIVISION, Section 27 Township 2 North, Range 11 East, City of Troy, Oakland County, Michigan, according to the recorded plat thereof, as recorded in Plat Liber 32, Pages 11 and 12, Oakland County Records, described as: Beginning at the Northwest corner of said Lot 428; thence North 00 degrees 11 minutes 28 seconds East, 25.0 feet to the centerline of vacated Brinston Street; thence South 89 degrees 36 minutes 23 seconds East, 63.31 feet along the centerline of vacated Brinston Street to the Northwesterly right-of-way line of Rochester Road; thence South 59 degrees 14 minutes 48 seconds West, 73.90 feet along the Northwesterly right-of-way line of Rochester Road to a point on the West line of said lot 428 at a point 13.18 feet South of the Point of Beginning; thence North 00 degrees 11 minutes 28 seconds East, 13.18 feet to the Point of Beginning.

EXHIBIT B

[PERSONAL PROPERTY]

All furniture, fixtures and equipment located at the Premises as of the Rent Commencement Date and not subject to any of the following equipment leases: Master Lease Agreement between General Electric Capital Corporation and Paragon Steakhouse Restaurants, Inc. dated April 17, 1996, Master Lease Agreement between P.F.C., Inc. dba PFC Group and Paragon Steakhouse Restaurants, Inc., dated March 29, 1994 and Master Lease Agreement between PFC Group, Inc. and Paragon Steakhouse Restaurants, Inc. dated January 16, 1996 (collectively, the "Leases"), and all furniture, fixtures and equipment acquired by Landlord after the Rent Commencement Date upon the expiration or purchase of such equipment under the Leases.

EXHIBIT C

[ACKNOWLEDGMENT OF COMMENCEMENT DATE]

The Rent Commencement Date under the Lease is July 19, 2000.

EXHIBIT D

[RENT SCHEDULE]

1. Payment of Base Rent. During the term of this Lease, and subject to adjustment as provided in Paragraph 3 below, Tenant covenants and agrees to pay to Landlord minimum rental (the "Base Rent") for the Leased Property as determined in accordance with Paragraph 2 and 3 below. The Base Rent shall be payable in equal monthly installments and shall be payable in advance. One such monthly payment shall be due and payable on or before the Rent Commencement Date hereof and each subsequent monthly installment shall be due and payable on or before the first (1st) day of each succeeding calendar month during the initial term and any duly exercised renewal term hereof. Rent for any fractional month or year at the beginning or the end of the term hereof shall be prorated and payable in advance. All payments of Base Rent shall be made to the Landlord as the same shall become due, without demand, reduction or set-off of any kind, in lawful money of the United States of America at the address of Landlord as specified in the Lease, or to such other party or at such other place as hereinafter may be designated by Landlord by written notice to the Tenant at least ten days prior to the next ensuing monthly rental payment date.

2. Base Rent. The annual Base Rent shall be \$125,125.00.

3. Increase In Base Rent. Beginning on the second anniversary of the Rent Commencement Date, and thereafter, on each second anniversary thereof throughout the term of the Lease (including renewal terms), the annual Base Rent shall be increased (but not decreased) by the percentage increase, if any, in the monthly Consumer Price Index (hereinafter defined) most recently published prior to said anniversary date over the Consumer Price Index published for the same month in the year two years preceding the anniversary date; provided, however, that in no event shall the Rent be increased by more than four percent (4%) of the then-prevailing Base Rent. The term "Consumer Price Index" shall mean the Consumer Price Index, All Urban Consumers, All Items published by the Bureau of Labor Statistics, U.S. Department of Labor. In the event there is a substantial change in the basis upon which the Consumer Price Index is based so that the computation contained herein can no longer be performed, then the Consumer Price Index for any particular period shall be adjusted approximately by Landlord. In the event the Consumer Price Index or a successor or substitute Index is no longer published, a reliable governmental or other non-partisan publication evaluating information used in determining the Consumer Price Index shall be the basis for adjusting the Base Rent. Landlord shall advise Tenant promptly of any increase in the Rent by reason of increases in the Consumer Price Index.

EXHIBIT F

[ACH AUTHORIZATION]

AUTHORIZATION AGREEMENT FOR PRE-AUTHORIZED PAYMENTS		
COMPANY NAME: ID NUMBER:		COMPANY ID NUMBER:
I (we) hereby authorize P.S. REALTY PARTNERS, L.P. hereafter called COMPANY, to initiate debt entries to my (our) checking account indicated below and the depository name below, hereinafter called DEPOSITORY, to debit the same to such account.		
DEPOSITORY NAME:		BRANCH:
CITY:	STATE:	ZIP:
TRANSIT/ABA NUMBER:		ACCOUNT NUMBER:
AMOUNT:		DATE BEGINNING:
This authority is to remain in full force and effect until COMPANY and DEPOSITORY have received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.		
NAME(S) (Please Print):		
SIGNED:		
SIGNED:		

Debt Authorization

The following general direction is offered to promote accuracy and standardization for authorization requirements:

- Account numbers and transit/routing numbers must be accurately stated.
- Date and signature(s) are required.
- When the authorization is directed to a saving account, the authorizer(s) should so indicate. NOW accounts and share draft accounts are transaction accounts within the broad category of demand accounts.
- A copy of a voided check (not deposit slip) must be attached.

EXHIBIT G

[OTHER LEASES]

Carver's Creek
2711 Capital
Raleigh, North Carolina

Tippecanoe Place
620 West Washington Street
South Bend, Indiana

Hungry Hunter
4455 S. Rural Road
Tempe, Arizona

Hungry Hunter
1221 Vista Way
Oceanside, California

Hungry Hunter
2046 E. Harbor Boulevard
Ventura, California

Hungry Hunter
450 Bercut Drive
Sacramento, California

Hungry Hunter
8475 Edes Avenue
Oakland, California

Hungry Hunter
2511 W. Indian School Road
Phoenix, Arizona

Hungry Hunter
2355 South 4th Avenue
Yuma, Arizona

Mountain Jack's
3600 28th Street SE
Kentwood, Michigan

Hungry Hunter
5339 Mowry Avenue
Fremont, California

Hungry Hunter
3580 Rosedale Highway
Bakersfield, California

Hungry Hunter
3201 Mt. Diablo Boulevard
Lafayette, California

Mountain Jack's
1845 Lorain Road
Elyria, Ohio

Carver's
24275 Sinacola Court
Farmington Hills, Michigan

Mountain Jack's
1451 Opdyke Road
Auburn Hills, Michigan

Whaling Company
494 McLaws Circle
Williamsburg, Virginia

Mountain Jack's
6901 W. 38th
Indianapolis, Indiana

Amendment to Lease Agreement

This Amendment (the "Amendment") to Restaurant Lease is dated as of the 1st day of July 2002, by and between Paragon of Michigan, Inc., a Wisconsin corporation (hereinafter called "Tenant") and P.S. Realty Partners, L.P., a California limited partnership (hereinafter called "Landlord").

Recitals:

A. Landlord and Tenant entered into a Restaurant Lease dated June 30, 2000 (the "Lease") with respect to a parcel of real property located in Troy, Michigan.

B. Landlord and Tenant have agreed to amend the Lease on the terms and conditions hereinafter set forth.

Now, Therefore, for good and valuable consideration, the sufficiency of which is hereby expressed, the parties hereby agree as follows:

1. Section 4.3. Section 4.3 of the Lease is replaced in its entirety with the following:

"Tenant shall incur at least \$75,000 of expenditures for improvements to the leasehold improvements under this Lease between the date of this Amendment and December 31, 2003, which expenditures would be considered capital in nature in accordance with generally accepted accounting principles. Tenant shall certify to Landlord, in form and content reasonably acceptable to Landlord, that it has satisfied its obligation under this section. If Tenant assigns its interest in this Lease to an unaffiliated third-party in an assignment approved by the Bankruptcy Court with jurisdiction over the Tenant, then the December 31, 2003 date for satisfying the capital improvements obligation contained herein shall be extended until December 31, 2004."

2. Section 18.21. Section 18.21 of the Lease is amended by changing the notice address of the General Partner to the following:

558 Sacramento Street, Fourth Floor
San Francisco, CA 94111

3. Except as otherwise provided herein, the Lease is ratified and affirmed and is not amended.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

Marcus & Millichap

Real Estate Investment Brokerage Company

750 Battery Street
San Francisco, CA 94111
Tel: 415 391 9220
Fax: 415 296 0619

*Offices throughout
the United States*

May 31, 2005

Susan Schulze-Claasen
Paragon Steakhouse Restaurants, Inc.
10200 Willow Creek Road
San Diego, CA 92131

**RE: MOUNTAIN JACK'S
2360 ROCHESTER COURT
TROY, MI**

Dear Susan:

On May 23, 2005, P.S. Realty Partners, LP completed its sale of the above referenced property to L. Dave & Kathleen Cunningham. Please update your records to reflect the new ownership as follows:

L. Dave & Kathleen Cunningham
1556 Siskiyou Drive
Walnut Creek, CA 94598
Phone (925) 933-4558


In addition, the new Landlord has requested that monthly rent be wired directly into their account:

Routing # 321075947
Account # 1704890
ChevronTexaco Credit Union
P.O. Box 2069
Oakland, CA 94604-2069

Thank you for all your help on this. Please feel free to contact me with any questions or comments.

Sincerely,

Marcus & Millichap


Bill Schofield
Director, National Retail Group
(415) 625-2136
wschofield@marcusmillichap.com

File -
Troy RE file