

AMENDMENT OF LEASE

THIS AMENDMENT OF LEASE (the "Amendment"), made this <sup>2<sup>nd</sup></sup> day of ~~August~~ August, 2006, by and between PR WASHINGTON CROWN LIMITED PARTNERSHIP (hereinafter "Landlord") and EATERIES, INC. t/a Garfield's (hereinafter "Tenant").

WITNESSETH:

WHEREAS, by a lease dated June 1, 1999 (said lease, together with all amendments thereto, if any, are collectively referred to herein as the "Lease"), Landlord's predecessor leased to Tenant all those certain premises owned by Landlord situate in the Washington Crown Center, located in Washington, Pennsylvania known and designated as Store Number 636 (the "Premises"), for a term of years upon certain terms and conditions as more fully set forth in the Lease; and

WHEREAS, Landlord and Tenant desire to modify the provisions of the Lease upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. Terms used herein shall have the meanings ascribed to them in the Lease, unless otherwise modified herein.
2. Provided that Tenant is not in default hereunder at the time of exercise, Tenant shall have and is hereby granted one (1) option to extend the Term of the Lease upon the terms, covenants, conditions and provisions set forth herein, except as set forth in (a) and (b) below, for one (1) period of five (5) years (the "Option Period"); provided that at the time an option to renew is exercised, the Term of the Lease shall be in effect.

Such option shall be exercisable by Tenant giving written notice to Landlord of its intention to exercise the same at least seven (7) months prior to the expiration of the Term. Upon receipt by Landlord of such notice, provided that Tenant shall then have the right to exercise such option, the Term of the Lease shall be extended in accordance with the provisions hereof, without the necessity of any further act or



documentation by Landlord or Tenant. In the event Tenant fails to exercise the option within the time and in the manner aforesaid (regardless of whether such failure shall be a result of Tenant's failure to give notice or Tenant's not having the right to exercise such option), then this right and option shall terminate and be null and void without the necessity of any further act or documentation by Landlord or Tenant, and the Term of the Lease shall terminate in accordance with the provisions set forth elsewhere herein.

(a) During the Option Period, Tenant shall pay Landlord Minimum Rent as follows:

<u>Time Period</u>	<u>Annual Amount</u>	<u>Monthly Amount</u>
Option Period	\$99,750.00	\$8,312.50

(b) During the Option Period, Tenant shall pay Landlord Percentage Rent as follows:

<u>Time Period</u>	<u>Break point</u>	<u>"Percentage"</u>
Option Period	\$1,995,000.00	Five percent (5%)

In addition, Tenant shall continue to be liable for the payment of all Additional Rent and charges, calculated from time-to-time, in accordance with the terms, covenants and conditions of the Lease.

3. Tenant has entered into a lease with PR Capital City Limited Partnership, an affiliate of Landlord ("Landlord's Affiliate") dated January 6, 2006 for space at the Capital City Mall, Camp Hill, Pa, (the "Cap City Lease"). Tenant has assigned its interest in the Cap City Lease to its wholly owned subsidiary; GRP of Harrisburg (said subsidiary and Tenant are collectively referred to in this paragraph as "Garfields"). Landlord's Affiliate desires to enter into a lease for space in the Capital City Mall for a restaurant presently expected to be operated under the "McGraths" (or similar) trade name (the "Other Restaurant"). Garfields and Landlord's Affiliate disagree with regard to whether the operation of the Other Restaurant would violate Tenant's "exclusive" as set forth in Section 23.29 of the Cap City Lease. Landlord's Affiliate and Garfields are presently

negotiating a settlement of this dispute, which settlement they intend will be memorialized by a binding, written agreement (the "Settlement Agreement"). Landlord's willingness to enter into this Amendment is consideration for Garfield's willingness to enter into a mutually agreeable Settlement Agreement. Accordingly, the effectiveness of the provisions of this Amendment is conditioned upon ~~(i) Landlord's Affiliate entering into a lease for the Other Restaurant and~~ (ii) Garfield's entering into a mutually agreeable Settlement Agreement; and

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4. Except as herein provided to the contrary, all of the terms, covenants, conditions and stipulations contained in the Lease, including the confession of judgment contained therein and all other terms whether or not deemed personal covenants, shall be continued with like effect and to all legal intents and purposes as if included in a new lease containing identical terms, covenants, conditions and stipulations as in the Lease except as herein modified, until the time of expiration of the term, and the same is hereby ratified and confirmed.

5. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on the day and year first above written.

**LANDLORD:**

**PREIT SERVICES, LLC, Agent for  
PR WASHINGTON CROWN LIMITED PARTNERSHIP**

BY: 

**BRUCE GOLDMAN  
EXECUTIVE VICE-PRESIDENT**

**TENANT:**

**EATERIES, INC.**

By: 

Title: 

Attest: 

Title: 