

When recorded return to:
Lawyers Title Insurance Corporation
3636 North Central Avenue
Suite 350
Phoenix, AZ 85012
Attention: ~~Allen Brown~~ ANNE Bostick
X03-26890Ams

2003 105662

2003 SEP 11 10:32

REC'D - COUNTY CLERK

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is made as of September 30 2003 (the "Effective Date"), by and between RED ALERT PROPERTIES LLC, an Indiana limited liability company ("Lessor"), whose address is 2300 Cline Avenue, Suite 204, Schererville, Indiana 46375 and RED'S NEST, INC., an Indiana corporation ("Lessee"), whose address is 2300 Cline Avenue, Suite 204, Schererville, Indiana 46375.

PRELIMINARY STATEMENT:

Lessor and Lessee entered into that certain lease (the "Lease") dated as of the Effective Date, the terms, provisions and conditions of which are incorporated herein by this reference to the same extent as if recited in their entirety herein. Pursuant to the terms, provisions and conditions of the Lease, Lessor has leased to Lessee, and Lessee has rented and leased from Lessor, the property described in Exhibit A attached hereto (the "Property"), including, without limitation, the real property, together with all buildings, fixtures and other improvements now or hereafter located thereon. GE Capital Franchise Finance Corporation, a Delaware corporation ("Lender"), is providing a loan to Lessor which is secured by a deed of trust, assignment of rents and leases, security agreement and fixture filing encumbering the Property ("Mortgage"), which has been recorded prior to the recording of this Memorandum. The Property will at all times be owned by Lessor, and Lessee's sole interest in the Property shall be its leasehold interest pursuant to the Lease. Unless otherwise expressly provided herein, all defined terms used in this Memorandum shall have the same meanings as are ascribed to such terms in the Lease.

NOW, THEREFORE, Lessor and Lessee hereby make specific reference to the following terms, provisions and conditions of the Lease:

1. (a) In consideration of the rentals and other sums to be paid by Lessee and of the other terms, covenants and conditions on Lessee's part to be kept and performed pursuant to the Lease, Lessor leases to Lessee, and Lessee takes and hires, the Property. The Lease term commences as of the Effective Date and expires on January 31, 2009, unless terminated sooner as provided in the Lease. The time period during which the Lease shall actually be in effect is referred to herein as the "Lease Term."

2. (a) In the event Lender shall succeed to the rights of Lessor as landlord under the Lease, whether through foreclosure of the liens of the Mortgage, deeds-in-lieu of foreclosure of the Mortgage, or otherwise, Lender, as lessor under the Lease, shall have the right to sell or convey all, but not less than all, of the Property or to assign its right, title and interest as lessor under the Lease in whole, but not in part. In the event of any such sale or assignment other than a security assignment, Lessee shall atorn to such purchaser or assignee and Lessor shall be relieved, from and after the date of such transfer or conveyance, of liability for the performance of any obligation of Lessor contained in the Lease, except for obligations or liabilities accrued prior to such assignment or sale (provided, however, nothing in this subsection shall impose liability on Lender or such purchaser or assignee, as lessor, for the obligations of Lessor accruing under the Lease prior to the time Lender or such purchaser or assignee, as the case may be, succeeds to Lessor's rights as lessor under the Lease).

(b) Otherwise, and except as permitted pursuant to the Loan Documents, Lessor shall not have the right to sell or convey its right, title and interest in the Property or to assign its right, title and interest as lessor under the Lease in whole or in part.

HOLD FOR MERIDIAN TITLE CORP

01-492801.1
FFC No. 8001-5418
Schererville, IN
Construction Loan

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KAC

21⁰⁰/₁₀₀ KM
MT

- (c) Without the prior written consent of Lessor:
- (i) Lessee shall not assign, transfer, convey, pledge or mortgage the Lease or any interest therein, whether by operation of law or otherwise;
 - (ii) no Change of Control shall occur;
 - (iii) no interest in Lessee shall be pledged, encumbered, hypothecated or assigned as collateral for any obligation of any of the Lessee Entities; and
 - (iv) except as expressly provided in the Lease, Lessee shall not sublet all or any part of any of the Property.

ANY SUCH PURPORTED TRANSACTION WHICH IS NOT PERMITTED BY THE LEASE OR OTHERWISE APPROVED BY LESSOR SHALL BE VOIDABLE AT THE SOLE OPTION OF LESSOR.

3. NOTICE IS HEREBY GIVEN THAT, UNLESS LESSOR'S PRIOR WRITTEN CONSENT IS OBTAINED, LESSEE IS NOT AUTHORIZED TO PLACE OR ALLOW TO BE PLACED ANY LIEN, MORTGAGE, DEED OF TRUST, DEED TO SECURE DEBT, SECURITY INTEREST OR ENCUMBRANCE OF ANY KIND UPON ALL OR ANY PART OF THE PROPERTY, THE PERSONAL PROPERTY (AS HEREINAFTER DEFINED) OR LESSEE'S LEASEHOLD INTEREST IN THE PROPERTY PURSUANT TO THE LEASE, AND ANY SUCH PURPORTED TRANSACTION SHALL BE VOID. FURTHERMORE, ANY SUCH PURPORTED TRANSACTION SHALL BE DEEMED A TORTIOUS INTERFERENCE WITH LESSOR'S RELATIONSHIP WITH LESSEE AND LESSOR'S OWNERSHIP OF THE PROPERTY.

4. Any addition to or alteration of any of the Property shall automatically be deemed part of the Property and belong to Lessor.

5. The Lease at all times shall automatically be subordinate to the Mortgage and to the lien of any ground leases, mortgages, deeds to secure debt and trust deeds now or hereafter placed upon any of the Property by Lessor, unless the landlord, mortgagee or trustee under any such Mortgage, ground lease, mortgage, deed to secure debt or trust deed, as applicable, elects otherwise by notice given to Lessee.

6. A. Lessor and Lessee intend that:

(i) the Lease constitutes a single Lease of all, but not less than all, of the Property and that Lessor and Lessee have executed and delivered the Lease with the understanding that the Lease constitutes a unitary, unseverable instrument pertaining to all, but not less than all, of the Property, and that neither the Lease nor the duties, obligations or rights of Lessee may be allocated or otherwise divided among the Property by Lessee;

(ii) the Lease is a "true lease" and not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of the Lease are those of a true lease; and

(iii) the business relationship created by the Lease and any related documents is solely that of a long-term commercial lease between landlord and tenant and has been entered into by both parties in reliance upon the economic and legal bargains contained therein.

B. Lessor and Lessee acknowledge and agree that the Lease Term, including any term extensions provided for in the Lease, is less than the remaining economic life of each of the Property.

C. Lessee waives any claim or defense based upon the characterization of the Lease as anything other than a true lease and irrevocably waives any claim or defense which asserts that the Lease is anything other than a true lease. Lessee covenants and agrees that it will not assert that the Lease is anything but a true lease. Lessee stipulates and agrees not to challenge the validity, enforceability or characterization of the lease of the Property as a true lease and further stipulates and agrees that nothing contained in the Lease creates or is intended to create a joint venture, partnership (either de jure or de facto), equitable mortgage, trust, financing device or arrangement, security interest or the like. Lessee shall support the intent of the parties that the lease of the Property pursuant to the Lease is a true lease and does not create a joint venture, partnership (either de jure or de facto), equitable mortgage, trust, financing device or arrangement, security interest or the like, if, and to the extent that, any challenge occurs.

D. Lessee waives any claim or defense based upon the characterization of the Lease as anything other than a Lease of all of the Property and irrevocably waives any claim or defense which asserts that the Lease is anything other than a Lease. Lessee covenants and agrees that it will not assert that the Lease is anything but a unitary, unseverable instrument pertaining to the lease of all, but not less than all, of the Property. Lessee stipulates and agrees not to challenge the validity, enforceability or characterization of the lease of the Property as a unitary, unseverable instrument pertaining to the lease of all, but not less than all, of the Property. Lessee shall support the intent of the parties that the Lease is a unitary, unseverable instrument pertaining to the lease of all, but not less than all, of the Property, if, and to the extent that, any challenge occurs.

E. Lessee represents and warrants to Lessor that (i) the Base Annual Rental is the fair market value for the use of the Property and was agreed to by Lessor and Lessee on that basis, and (ii) the execution, delivery and performance by Lessee of the Lease does not constitute a transfer of all or any part of the Property.

F. The expressions of intent, the waivers, the representations and warranties, the covenants, the agreements and the stipulations set forth in this Section are a material inducement to Lessor entering into the Lease.

7. Original copies of the Lease are in the possession of Lessor and Lessee. The Lease contains other terms not herein set forth but which are incorporated by reference herein for all purposes, and this Memorandum is executed for the purpose of placing parties dealing with the Property on notice of the existence of the Lease and, where appropriate, its contents, and shall ratify and confirm all other terms of the Lease as fully as if the same had been set forth herein. Additional information concerning the terms of the Lease can be obtained from Lessor or Lessee at the addresses set forth above.

8. This Memorandum is intended for recording purposes only, and does not modify, supersede, diminish, add to or change all or any of the terms of the Lease in any respect. The terms and conditions of the Lease shall control notwithstanding that the terms and conditions of the Lease may be inconsistent or vary from those set forth in this Memorandum.

9. Lessee agrees that Lessor shall have a landlord's lien, and additionally hereby separately grants to Lessor a first and prior security interest in, on and against all Personal Property, which lien and security interest shall secure the payment of all rental and other charges payable by Lessee to Lessor under the terms of the Lease and all other obligations of Lessee to Lessor under the Lease. The term "Personal Property" means all tangible personal property owned by Lessee and now or at any time hereafter located on or at any of the Property or used in connection therewith, including, without limitation, all machinery, appliances, furniture, equipment and inventory; provided, however, the term "Personal Property" shall not include the HVAC, walk-in coolers, walk-in freezers, supply fans, exhaust fans, air ducts, hoods, vents, built-in sinks, built-in countertops, plumbing and electrical fixtures, sign poles and lighting poles, all of which items are intended to be included within the definition of "Property".

10. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original.



IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be duly executed as of the Effective Date.

Lessor's Tax Identification Number:

LESSOR:

68-0521314

RED ALERT PROPERTIES LLC, an Indiana limited liability company

By: Alan D. Krygier, member
Alan D. Krygier
Member

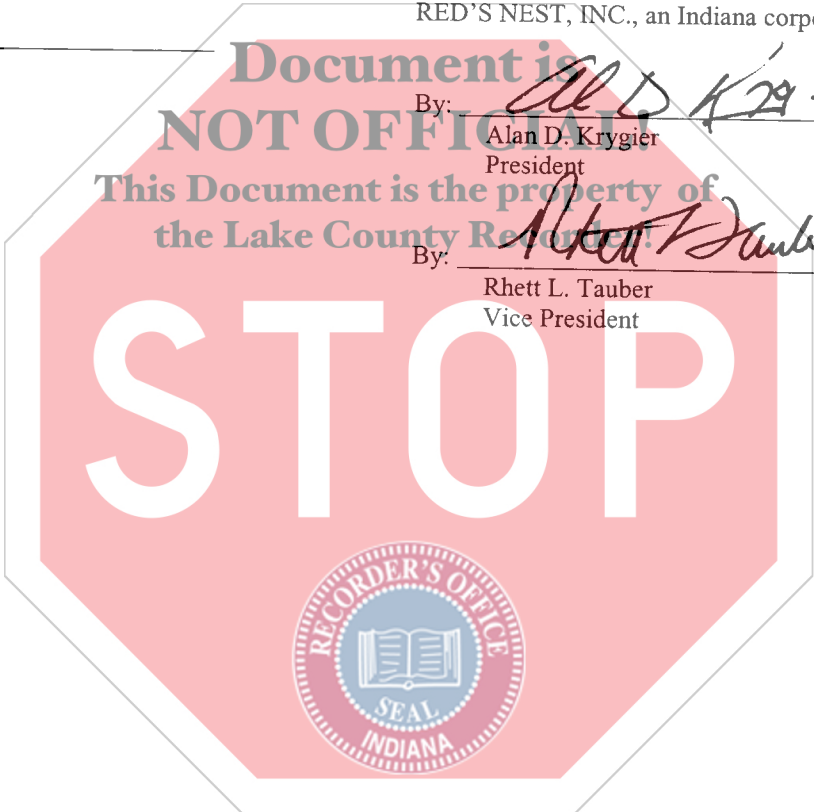
By: Rhett L. Tauber, Member
Rhett L. Tauber
Member

Lessee's Tax Identification Number:

LESSEE:

82-0577182

RED'S NEST, INC., an Indiana corporation



By: Alan D. Krygier, PRESIDENT
Alan D. Krygier
President

By: Rhett L. Tauber, Vice Pres.
Rhett L. Tauber
Vice President

STATE OF INDIANA)
) SS.
COUNTY OF LAKE)

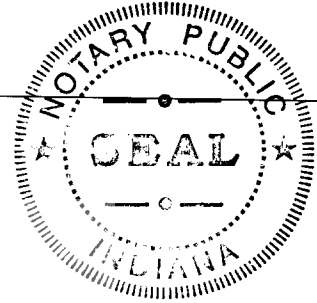
Before me, a Notary Public in and for said County and State, personally appeared Alan D. Krygier, Member of Red Alert Properties LLC, an Indiana limited liability company, who acknowledged the execution of the foregoing instrument for and on behalf of said limited liability company, and who, having been duly sworn, stated that any representations therein contained are true.

Witness my hand and Notarial Seal this 24 day of Sept., 2003.

My Commission expires: 9/29/06

Signature Barbara A. Zimny
Printed Barbara A. Zimny

Resident of Porter County, State of Indiana



STATE OF INDIANA)
) SS.
COUNTY OF LAKE)

Document is NOT OFFICIAL!
This Document is the property of the Lake County Recorder!

Before me, a Notary Public in and for said County and State, personally appeared Alan D. Krygier, Member of Red's Nest, Inc., an Indiana corporation, who acknowledged the execution of the foregoing instrument for and on behalf of said corporation, and who, having been duly sworn, stated that any representations therein contained are true.

Witness my hand and Notarial Seal this 24 day of Sept., 2003.

My Commission expires: 9/29/06

Signature Barbara A. Zimny
Printed Barbara A. Zimny

Resident of Porter County, State of Indiana



EXHIBIT A
LEGAL DESCRIPTION

The land referred to in this Commitment is located in the County of Lake, State of Indiana described as follows:

Lot Numbered 4 as shown on the recorded plat of Fountain Park Subdivision, an Addition to the Town of Schererville recorded in Plat Book 90 Page 35 in the Office of the Recorder of Lake County, Indiana.

TOGETHER WITH non-exclusive beneficial rights for ingress and egress over and across the south 12 feet of Lot 4 Fountain Park Subdivision and the north 12 feet of Lot 5 Fountain Park Subdivision as created and shown on said plat being an Addition to the Town of Schererville recorded in Plat Book 90, page 35 in the Office of the Recorder of Lake County, Indiana.

