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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD  
LOCATION: MUNSTER, INDIANA (CALUMET/BROADMOOR)  
95 JUN - 8 PM 1:21  
STORE NUMBER: 669  
RECORDER

476546 RD 1501  
Rudnick & Wolfe  
208 N. LaSalle St Suite 1800 Chgo  
Att: ALAN J. SALLE  
60601-1273

95032320

**COLLATERAL ASSIGNMENT OF LEASE**

THIS COLLATERAL ASSIGNMENT OF LEASE (this "Assignment") is made as of the 2nd day of May, 1995, by BC CHICAGO, INC., an Illinois corporation ("Borrower") to BOSTON CHICKEN, INC., a Delaware corporation ("Lender").

**WITNESSETH:**

WHEREAS, Lender now and from time to time hereafter shall make loans, advances and/or financial accommodations to or for the benefit of Borrower pursuant to a certain Secured Loan Agreement (the "Loan Agreement"; terms used herein and not otherwise defined herein shall have the meaning assigned thereto in the Loan Agreement) between Borrower and Lender;

WHEREAS, Tenant has entered into a certain Franchise Lease dated June 2, 1995, with BC Real Estate Investments, Inc., a Delaware corporation ("Landlord"), demising the property legally described on Exhibit A (the "Demised Premises") attached hereto and made a part hereof (which lease, together with all renewals, extensions, modifications, amendments, substitutions and replacements, all of the Borrower's rights and remedies thereunder, and all proceeds payable under any policy of insurance covering loss resulting from untenability caused by destruction or damage to the Demised Premises, are hereinafter referred to as the "Lease");

WHEREAS, Lender and Borrower are parties to a certain Franchise Agreement pursuant to which Lender granted Borrower certain rights to own and operate a Boston Chicken Store at the Demised Premises (The "Franchise Agreement");

WHEREAS, the Lease is to be collaterally assigned by Borrower to Lender as additional security for all of Borrower's obligations to Lender arising under or in connection with the Loan Agreement and the other loan documents (the "Liabilities"); and

**THIS DOCUMENT PREPARED BY  
AND AFTER RECORDING MAIL TO:**

Boston Chicken, Inc. 8032-8040 Calumet Avenue  
14103 Denver West Parkway Munster, Indiana  
P.O. Box 4086  
Golden, Colorado 80401 Key Nos. 28-51-1, 28-51-5 and 28-51-11  
Attention: Real Estate Services Department

AJS2502 05/03/95 0906

**FILED**  
JUN 8 1995

SAM ORLICH  
AUDITOR LAKE COUNTY

000459

(FF)

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June 4 95032319



**WHEREAS**, the Franchise Agreement also requires that the Lease also be collaterally assigned by Borrower to Lender.

**NOW, THEREFORE**, for and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **The Assignment.** In order to induce Lender to make advances under the Loan Agreement and as additional security for the payment of the Liabilities and for the performance and observance of all the agreements contained herein, in the Loan Agreement, in the other loan documents, and in the Franchise Agreement, Borrower does hereby assign, set over, and transfer to Lender, upon the terms and conditions hereinafter contained, a continuing collateral security interest in the Lease, together with all the right, title and interest of Borrower therein and thereto, to have and to hold the same under Lender, its successors and assigns, forever, or for such shorter period as hereinafter may be indicated, as additional security for the payment of the Liabilities and for the performance and observance of all the agreements contained in the Loan Agreement, in the other loan documents and in the Franchise Agreement.

2. **Warranties, Representations and Covenants.** Borrower hereby covenants, represents, and warrants to Lender and agrees as follows:

A. At all times, Lender shall have the right to verify the validity, amount of rent and other charges and any other matter relating to the Lease, by mail, telephone, facsimile or otherwise, in the name of Borrower or Lender, all in accordance with the terms and conditions of the Lease.

B. Unless Lender notifies Borrower in writing that it waives any one or more of the following requirements, Borrower shall (i) notify Lender, in writing, of any assertion of any defaults, claims, liabilities, offsets and counterclaims under the Lease; and (ii) not permit or agree to any termination, surrender, settlement, amendment or modification of the Lease.

C. The Lease is in full force and effect; a complete and correct copy of the Lease has been furnished to Lender; Borrower is the lessee under the Lease and has good title and the lawful right to collaterally assign its interest in the same; no other person, firm or corporation has any right, title or interest therein except as expressly set forth herein; and Borrower has not previously sold, assigned, transferred, mortgaged or pledged its interest in the Lease or the Demised Premises to any other person or entity.

D. Borrower has and shall: (i) observe, perform and discharge, duly and punctually, all the obligations, terms, covenants, conditions and warranties of the Loan Agreement, the other loan documents, the Franchise Agreement and the Lease, on the

part of Borrower to be kept, observed and performed; (ii) give prompt notice to Lender of any failure on the part of Borrower to observe, perform and discharge same; (iii) appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Lease or the obligations, duties or liabilities of Borrower and/or Landlord thereunder, and upon request of Lender, will do so in the name and behalf of Lender but at the expense of Borrower; and (iv) pay all costs and expenses of Lender, including reasonable attorneys' fees, in any action or proceeding in which Lender may appear hereunder.

E. Borrower has entered or will enter into occupancy of the Demised Premises in accordance with the terms and conditions of the Lease, to the best of Borrower's knowledge, Landlord is not in default in performing or complying with any of its obligations under the Lease; Landlord has completed, or will complete within the time period provided in the Lease, all improvements required by the terms of the Lease; and the Demised Premises are, or will be within the due course of construction completion, open for the use of Borrower, its customers, employees and invitees.

F. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Demised Premises nor shall Lender by entering into this Assignment assume any additional obligation, duty or liability under the Lease.

G. Borrower hereby agrees to indemnify and hold Lender harmless of, from and against any and all liability, loss, damage and expense which Lender may or might incur by reason of this Assignment. Should Lender incur any such liability, loss, damage or expense, the amount thereof (including reasonable attorneys' fees) shall be payable by Borrower immediately upon demand, shall bear interest (at the rate due on monies after a default under the terms of the Loan Agreement) from the date of Lender's payment thereof until repaid to Lender, and shall be secured hereby.

H. The failure of Lender to avail itself of any of the terms, covenants and conditions of this Assignment for any period of time or at any time or times, shall not be construed or deemed to be a waiver by Lender of any of its rights and remedies hereunder. The rights and remedies of Lender under this Assignment are and shall be cumulative and in addition to any and all rights and remedies available to Lender under the Loan Agreement, the other loan documents and the Franchise Agreement.

I. This Assignment was executed and delivered in, and, except as otherwise specifically stated in any given paragraph hereof, shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Colorado without reference to the choice of law.



3. **Power of Attorney.** Upon the occurrence of an Event of Default (as defined in the Loan Agreement) under the terms of the Loan Agreement or a default by Borrower under the Lease or the Franchise Agreement, Borrower further irrevocably appoints Lender as Borrower's attorney-in-fact to exercise any or all of Borrower's rights in, to, and under the Lease and to do any or all other acts, in Borrower's name or in the Lender's own name, that Borrower could do under the Lease, with the same force and effect as if this Assignment had not been made.

4. **Exercise of Rights.** Upon the occurrence of an Event of Default under the terms of the Loan Agreement or a default by Borrower under the Lease or the Franchise Agreement, Lender, in its sole discretion, may do any one or more of the following, subject to the terms and conditions contained in the Lease:

A. Enter upon, take possession of, manage and operate the Demised Premises or any part thereof pursuant to the terms and conditions of the Lease, and Borrower agrees (i) to surrender possession of the same; (ii) that Borrower shall have no further right, title or interest in the Lease and the Demised Premises; and (iii) that Borrower shall remain liable to Lender for all past due rents and other charges, agreements and obligations set forth in the Lease, which Lender shall be required either to pay to Landlord or perform thereunder.

B. If such Event of Default under the Loan Agreement or default under the Franchise Agreement occurs due to Borrower's default under the Lease, Lender may cure any such default under the Lease within the curative times provided in the Lease, or any longer period granted to Lender by Landlord.

C. Exercise any and all rights and remedies afforded to Lender under the Loan Agreement, the other loan documents, the Franchise Agreement and the Uniform Commercial Code and any and all other applicable provisions of law or equity, including the right to sell Borrower's interest in the Lease at a public or private sale.

5. **Exercise of Options.** Throughout the term of the Franchise Agreement, Borrower agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Lender otherwise agrees in writing. Borrower shall send Lender a copy of the notice of exercise concurrently with Borrower's exercise of the option. Upon failure of Lender to otherwise agree in writing, and upon failure of Borrower to so elect to extend or renew the Lease as aforesaid, Borrower hereby appoints Lender as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Borrower for the sole purpose of effecting such extension or renewal, provided that Lender shall have the right but not the obligation to exercise such extension or renewal options.

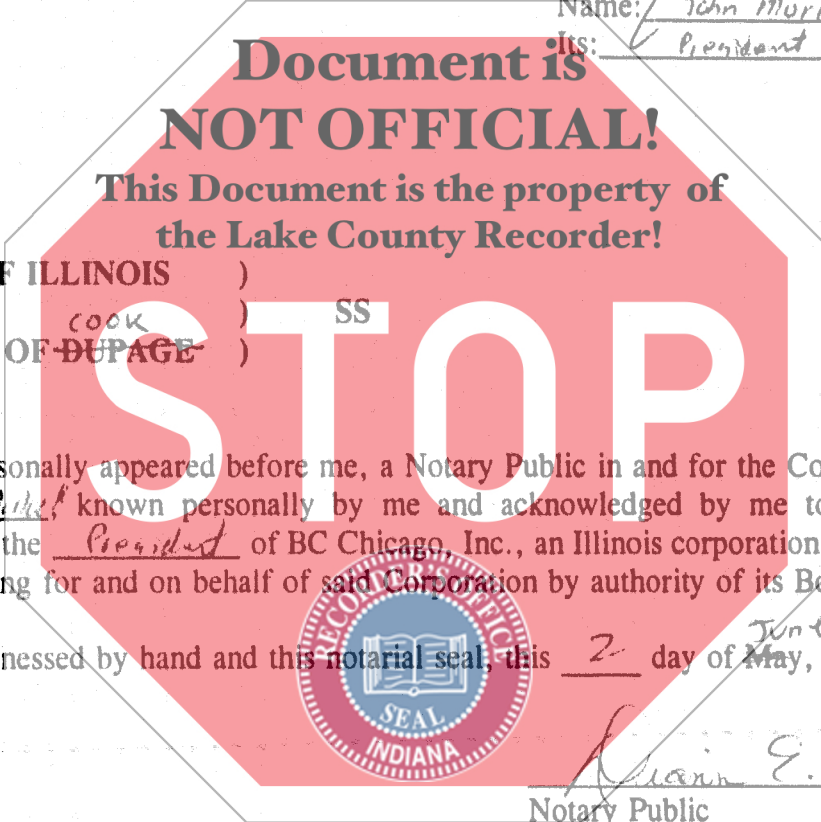
6. **Successors and Assigns.** This Assignment shall be binding upon Borrower and its heirs, representatives, successors and assigns and shall inure to the benefit of Lender and its heirs, representatives, successors and assigns.

IN WITNESS WHEREOF, this Assignment has been duly exercised the day and year first above written.

**BORROWER:**

BC CHICAGO, INC., an Illinois corporation

By: *John Morlock*  
Name: John Morlock  
Its: President



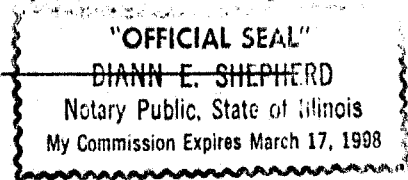
STATE OF ILLINOIS )  
                          ) <sup>COOK</sup> ) SS  
COUNTY OF ~~DUPAGE~~ )

Personally appeared before me, a Notary Public in and for the County and State,             
John Morlock known personally by me and acknowledged by me to be on the date of  
execution, the President of BC Chicago, Inc., an Illinois corporation, and he/she executed  
the foregoing for and on behalf of said Corporation by authority of its Board of Directors.

Witnessed by hand and this notarial seal, this 2 day of <sup>June</sup> ~~May~~, 1995.

*Diann E. Shepherd*  
Notary Public

My Commission Expires:



LOCATION: MUNSTER, INDIANA (CALUMET/BROADMOOR)

STORE NUMBER: \_\_\_\_\_

EXHIBIT "A"

LEGAL DESCRIPTION OF THE DEMISED PREMISES

LOTS 1 TO 12, BOTH INCLUSIVE, CALUMET RIDGE 2ND ADDITION TO MUNSTER,  
AS SHOWN IN PLAT BOOK 20, PAGE 14, IN LAKE COUNTY, INDIANA.

