

11-01-2000



101501169

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

**TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).**

**Submission Type**

- New
- Resubmission (Non-Recordation)  
Document ID # \_\_\_\_\_
- Correction of PTO Error  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_
- Corrective Document  
Reel # \_\_\_\_\_ Frame # \_\_\_\_\_

10.16.00

**Conveyance Type**

- Assignment  License
- Security Agreement  Nunc Pro Tunc Assignment
- Merger  Change of Name
- Other \_\_\_\_\_

Effective Date  
Month Day Year  
\_\_\_\_\_

**Conveying Party**

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name Famous American Barbecue, LLC

10 12 00

Formerly \_\_\_\_\_

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other limited liability company
- Citizenship/State of Incorporation/Organization Colorado

**Receiving Party**

Mark if additional names of receiving parties attached

Name AMRESKO Commercial Finance, Inc.

DBA/AKA/TA \_\_\_\_\_

Composed of \_\_\_\_\_

Address (line 1) 412 Parkcenter Blvd

Address (line 2) Suite 300

Address (line 3) Boise

City

ID

State/Country

83706

Zip Code

- Individual  General Partnership  Limited Partnership
- Corporation  Association
- Other \_\_\_\_\_

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

- Citizenship/State of Incorporation/Organization Nevada

**FOR OFFICE USE ONLY**

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages** Enter the total number of pages of the attached conveyance document including any attachments. #

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75510060"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="2230967"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1667904"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1967354"/>	<input type="text"/>	<input type="text"/>

**Number of Properties** Enter the total number of properties involved. #

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) #

Deposit Account Number: #   
Authorization to charge additional fees: Yes  No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

William C. Cole, Vice President

10/13/00

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

FORM PTO-1618C  
Expires 06/30/99  
OMB 0651-0027

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

**Trademark Application Number(s) or Registration Number(s)**

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Mark if additional numbers attached

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

RECORDATION FORM COVER SHEET  
CONTINUATION  
TRADEMARKS ONLY

**Conveying Party**

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship State of Incorporation/Organization

**Receiving Party**

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

Individual  General Partnership  Limited Partnership

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**PLEDGE AND SECURITY AGREEMENT  
ACLC 2000-2 SBL PROGRAM**

made by

**Famous American Barbecue, LLC, a Colorado limited liability company,  
Bennett's Management Services Company, LLC, a Colorado limited liability company and  
FAB Restaurant Licensing Corp., a Colorado corporation**

collectively as Borrower

in favor of

**AMRESKO COMMERCIAL FINANCE, INC.,  
as Secured Party**

PLEDGE AND SECURITY AGREEMENT (this "Security Agreement"), dated as of the date set forth on the signature page hereof, by Famous American Barbecue, LLC, a Colorado limited liability company, Bennett's Management Services Company, LLC, a Colorado limited liability company and FAB Restaurant Licensing Corp., a Colorado corporation, collectively (the "Borrower"), in favor of AMRESKO COMMERCIAL FINANCE, INC., a Nevada corporation (together with its successors and assigns, the "Secured Party").

### Preliminary Statements

A. On the date hereof, the Secured Party will make certain loans (each a "Loan" and, collectively, the "Loans") to the Borrower reflected in a Promissory Note to the Secured Party, dated the date hereof (the "Promissory Note"), in a form prepared by and acceptable to Secured Party, which Promissory Note will evidence the Borrower's obligation, inter alia, (i) to repay the Loans, (ii) to guarantee the payment of delinquencies or defaults in respect of Program Loans (as defined therein) in an amount up to the Aggregate Credit Enhancement Amount (as defined therein), (iii) to pay rebatable Scheduled Monthly Credit Enhancement Obligation Payments (as defined therein) on each Loan and (iv) to pay interest and other amounts as set forth therein.

B. It is a condition to the making of the Loans, that the Borrower shall have executed and delivered this Security Agreement whereby the Borrower, in order to provide security for the full payment when due of all amounts payable under the Promissory Note, shall pledge and grant to the Secured Party a security interest in the collateral described herein.

NOW THEREFORE, in consideration of the foregoing and in order to induce the Secured Party to make the Loans available to the Borrower and for other good and valuable consideration, the receipt and sufficiency of which the Borrower hereby acknowledges, the Borrower and the Secured Party agree as follows:

## ARTICLE I

### DEFINITIONS AND OTHER TERMS

#### 1. Definitions and Other Terms.

1.1. Defined Terms. The following terms shall have the meanings herein specified unless the context otherwise requires. All terms not otherwise defined herein shall have the meaning accorded to such terms in the Promissory Note. All terms defined in the singular will have the same meaning when used in the plural and vice versa.

"Accounts" means "accounts" as such term is defined in the UCC.

"Affiliate" means, with respect to any designated Person, any Person that, directly or indirectly, controls or is controlled by or is under common control with such designated Person and, without limiting the generality of the foregoing, shall include, (a) any Person who is a director or officer of, partner in, trustee of, or blood or legal relative, guardian or representative of the designated Person, or any Person who acts or serves in a similar capacity with respect to the designated Person, (b) any Person of which or whom the designated Person is a director or officer, partner, trustee, or blood or legal relative, guardian or representative, or with respect to which or whom, the designated Person acts or serves in a similar capacity; and (c) any Person, who, directly or indirectly, is the legal or beneficial owner of or controls ten percent (10%) or more of any class of equity securities of the designated Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Affiliate Guarantor" has the meaning ascribed to such term in Section 1.2.

"Aggregate Credit Enhancement Amount" has the meaning ascribed to such term in the Promissory Note.

"Business" means all Stores owned or operated by the Borrower.

"Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions in New York City are authorized or obligated by law or executive order to be closed.

"Cash Flow" means, for any period, with respect to any Person, an amount equal to (a) the sum of (i) pre-tax income, (ii) interest expense, (iii) depreciation and amortization, (iv) Discretionary Expenses, (v) Rental Expense and (vi) Non-Recurring Expenses less (b) Non-Recurring Income, all as reflected on such Person's financial statement for such period.

"Chattel Paper" has the meaning ascribed to such term under the UCC.

"Code" means the Internal Revenue Code of 1986 as amended.

"Collateral" has the meaning ascribed to such term in Section 2.

"Consolidated FCCR" means, for any period, the ratio of (a) the Borrower's Cash Flow for such period to (b) the sum of Fixed Charges and Rental Expense of the Borrower for such period.

"Contracts" shall mean all contracts and agreements to which the Borrower now is, or hereafter will be, bound, or a party, beneficiary or assignee (other than rights evidenced by Chattel Paper, Documents or Instruments), including, without limitation, any franchise agreements or license agreements and all other agreements and documents executed and delivered with respect to such contracts, and all revenues, rentals and other sums of money due and to become due thereunder from any of the foregoing.

"Copyrights" shall mean all United States or other registered and unregistered copyrights (including, but not limited to, those copyrights listed on Schedule 5 attached hereto), all licenses thereto, and all applications therefor, and all reissues, divisions, continuations, renewals, extensions, modifications, supplements thereto or to any part thereof, and the right to sue for past, present and future infringements of the foregoing, and all rights corresponding to the foregoing throughout the world.

"Credit Enhancement Amount" has the meaning ascribed to such term in the Promissory Note.

"Default Rate" has the meaning ascribed to such term in the Promissory Note.

"Deposit Accounts" has the meaning ascribed to such term in the UCC.

"Discretionary Expenses" means, with respect to any Person, the difference between (a) operating expenses for salaries, wages, benefits, and reimbursements and the like incurred by such Person and (b) the reasonable and customary expenses for salaries, wages, benefits, and reimbursements incurred by such Person, as determined by the Secured Party or any appointed servicer. Discretionary Expenses shall in no event be less than zero.

"Distributions" means distributions, all salaries, fees and other compensation, and all reimbursement or indemnification, directly or indirectly, paid or payable to (or for the benefit of) any Affiliate of the Borrower, other than a Person who is an officer of the Borrower and is not otherwise an Affiliate of the Borrower. "Distributions" shall include, but not be limited to, any payment or reimbursement of travel and entertainment expenses, automobile expenses, and premiums or expenses associated with any insurance policy other than those expressly required to be maintained pursuant to Section 3.18 hereof.

"Document" has the meaning ascribed to such term under the UCC.

"ERISA" means the Employee Retirement Income Security Act of 1974 as amended.

"Equipment" means any "equipment", as such term is defined in the UCC, and not included within Inventory, now or hereafter owned or leased by the Borrower and, in any event, shall include, but shall not be limited to, all machinery, tools, computer software, office equipment, furniture, appliances, furnishings, fixtures, vehicles, motor vehicles, petroleum storage tanks and pumps, and any manuals, instructions and similar items which relate to the foregoing, and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all improvements thereon and all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" has the meaning ascribed to such term in Section 7.

"FAB FCCR" means, for any period, the ratio of (a) Famous American Barbecue, LLC's Cash Flow for such period to (b) the sum of Fixed Charges and Rental Expense of Famous American Barbecue, LLC for such period.

"FABRLC FCCR" means, for any period, the ratio of (a) FAB Restaurant Licensing Corp.'s Cash Flow for such period to (b) the sum of Fixed Charges and Rental Expense of FAB Restaurant Licensing Corp. for such period.

"Financing Statements" means the UCC financing statements, prepared by Secured Party, and delivered to Borrower and which Borrower must execute and deliver to Secured Party as a condition under the Loan Documents.

"Fixed Charges" means, with respect to any Person, for any period, without duplication, the aggregate of all amounts paid or accrued by such Person during such period with respect to Indebtedness, as determined in accordance with generally accepted accounting principles.

"Franchise Agreement" means any franchise or license agreement or agreements with Borrower as franchisor or licensor, or as franchisee or licensee.

"Franchised Restaurants" means the network of stores owned (or leased) and operated by licensees or franchisees of Borrower.

"General Intangibles" shall mean "general intangibles" as such item is defined in the UCC and shall include, but not be limited to, royalties, franchise fees, marketing funds, advertising fees, transfer fees, renewal fees, training fees, management fees, supplier rebates, writings, memoranda, confirmations, passbooks, signature cards, acknowledgements, understandings, contract rights, licenses, excluding liquor licenses, leases, permits, filings, consents, and approvals, and all puts, calls, options, warrants, and securities, and all security interests, Patents, inventions, processes, lists (including customer and suppliers lists), methods, and information (including proprietary information, director and shareholder, sales, business, financial, accounting, forecasts, projections, media, and other information), know-how, software, programs, plans, data, blueprints, designs, drawings, surveys, notices, Copyrights, Trademarks, tradenames, trade secrets, service marks, service names, logos and goodwill, and all recordings and registrations thereof, applications for recording or registration, renewals, modifications, supplements, reissues, continuations, extensions, divisions thereof and rights corresponding thereto, and all manuals, standards, practices, mail, advertisements, files, reports, books, catalogs, records, journals, invoices, and bills, and all rights (including voting rights, rights to receive notice or to consent, rights to payment, interest, dividends, distributions or earnings, rights to sue and enforce), powers (including powers of attorney), privileges, benefits, and remedies relating thereto or arising in connection therewith.

"Goods" has the meaning ascribed to such term in the UCC.

"Indebtedness" means, with respect to any Person, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, (d) all capitalized lease obligations of such Person, (e)



all indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness has been assumed by such Person and (f) all indebtedness of others to the extent guaranteed by such Person.

"Instrument" has the meaning ascribed to such term in the UCC (other than Instruments constituting Chattel Paper).

"Insurance and Condemnation Proceeds" means (a) any and all proceeds of any insurance (insuring the Collateral or otherwise required to be maintained hereunder, including return of unearned premium), indemnity, warranty or guaranty payable to the Secured Party or Borrower from time to time, and claims for insurance, indemnity, warranty or guaranty effected or held for the benefit of the Borrower, with respect to any of the Collateral, and (b) any and all payments (in any form whatsoever) made or due and payable to the Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority).

"Inventory" means all inventory of the Borrower of every type or description, including all "inventory" as such term is defined in the UCC, now owned or hereafter acquired and wherever located, whether raw, in process or finished, and all materials usable in processing the same and all documents of title covering any inventory, including, without limitation, work in process, materials used or consumed in the Pledged Stores, now owned or hereafter acquired or manufactured by the Borrower and held for sale in the ordinary course of its business; all present and future substitutions thereof, parts and accessories thereof and all additions thereto; and all Proceeds thereof and products of such inventory in any form whatsoever.

"Lease Obligations" means with respect to any Person, any obligations of such Person in connection with any leases for personal property (including Equipment) or real property, to the extent such obligations are not included in Indebtedness.

"License" means any license to use the Trademarks in connection with the operation of the Business.

"Lien" means any deed, mortgage, pledge, security interest, hypothecation, collateral assignment, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC).

"Lien List" means the security interest, tax lien, suit and judgment search of the Borrower conducted in the locations set forth on Exhibit A hereto.

"Liquor License" means all liquor licenses issued to, or used by, Borrower or any Affiliate of Borrower in connection with the Stores including, but not limited to, all liquor licenses listed on Schedule 4 attached hereto.

"Loan" and "Loans" have the meanings ascribed to such terms in the preliminary statements of this Security Agreement.

"Loan Amount" shall have the meaning ascribed to such term in the Promissory Note.

"Loan Documents" means the Promissory Note, this Security Agreement and any guarantee, mortgage, deed of trust or other instrument, agreement, certificate or other writing, now or hereafter executed and delivered in connection with the Promissory Note or the Obligations.

"Make Whole Premium" means: (a) for a Fixed Rate loan has the meaning ascribed to such term in the Fixed Rate Promissory Note, and (b) for an Adjustable rate loan means the same as "Prepayment Premium" as such term is defined in the Adjustable Promissory Note.

"Non-Recurring Expenses" and "Non-Recurring Income" mean expenses or income, as the case may be, that is extraordinary and generally not reflected in any prior period or reasonably anticipated to be incurred in any subsequent period received.

"Note Amount" has the meaning ascribed to such term in the Promissory Note.

"Obligations" means each and every obligation, covenant, agreement, indebtedness and liability of the Borrower to the Secured Party evidenced by, arising under or in connection with the Promissory Note (including, without limitation, indebtedness, obligations and liabilities in respect of principal, interest, the Make Whole Premium, the Credit Enhancement Amount and the Scheduled Monthly Credit Enhancement Obligation Payments for each of the Loans), this Security Agreement, or any other Loan Document, and any future advances thereon, renewals, extensions, modifications, amendments, substitutions and consolidations thereof, including the Borrower's obligations to pay (or reimburse the Secured Party for) all costs and expenses (including attorneys fees and disbursements) incurred by the Secured Party in obtaining, maintaining, protecting and preserving its interest in the Collateral and Liquor Licenses, if any, or its security interest therein, foreclosing, retaking, holding, preparing for sale or lease, selling or otherwise disposing or realizing on the Collateral and Liquor Licenses (if any), or in exercising its rights hereunder or as a secured party under the UCC, any other applicable law, regulation or rule or this Security Agreement, including interest on such costs and expenses which shall accrue at the rate of eight percent (8%) per annum, and all other indebtedness, obligations and liabilities of any kind of the Borrower to the Secured Party, now or hereafter existing (including future advances whether or not pursuant to commitment), arising directly between the Borrower and the Secured Party relating to the Loan Documents, whether absolute or contingent, joint and/or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, or direct or indirect, including the Borrower's liabilities to the Secured Party as a member of any partnership, syndicate, association or other group, and whether incurred by the Borrower as principal, surety, endorser, guarantor, accommodation party or otherwise.

"Patents" means all United States or other registered and unregistered patents, (including, but not limited to, those patents listed on Schedule 5 attached hereto), all licenses thereto, and all applications therefor, and all reissues, divisions, continuations, renewals, extensions, modifications, supplements thereto or to any part thereof, and the right to sue for past, present and future infringements of the foregoing, and all rights corresponding to the foregoing throughout the world.

"Permitted Liens" means any and all of the Liens set forth on Exhibit B attached hereto.

"Person" means any individual, corporation, partnership, unincorporated association, firm, trust, joint stock company, joint venture or other entity of whatever nature.

"Pledged Stores" means those Stores listed on Schedule 1 attached hereto.

"Principal Party" shall have the meaning ascribed to such term in Section 7(e).

"Proceeds" shall mean "proceeds" as such term is defined in the UCC or under other relevant law and shall include, but shall not be limited to, (a) any and all proceeds of any insurance (insuring the Collateral or otherwise required to be maintained hereunder, including return of unearned premium), indemnity, warranty or guaranty payable to the Secured Party or Borrower from time to time, and claims for insurance, indemnity, warranty or guaranty effected or held for the benefit of the Borrower, with respect to any of the Collateral and Liquor Licenses (if any), (b) any and all payments (in any form whatsoever) made or due and payable to the Borrower from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral and Liquor Licenses (if any) by any governmental authority (or any person acting under color of governmental authority) and (c) any and all interest, income, dividends, distributions and earnings on the Collateral and Liquor Licenses (if any) or other monies, revenues or other amounts derived from the Collateral and Liquor Licenses (if any), including any such amounts received in connection with any disposition of the Franchise Agreement.

"Program" means the ACLC 2000-2 SBL Program of loans to Program Borrowers.

"Program Borrower" has the meaning ascribed to such term in the Promissory Note.

"Program Loan Deficiencies" has the meaning ascribed to such term in the Promissory Note.

"Promissory Note" has the meaning ascribed to such term in the preliminary statements to this Security Agreement.

"Property" means all real property or properties (including, without limitation, the real property or properties on which the Pledged Stores are located) in which Borrower has any estate, right, title, interest or claim, either in law or in equity, in possession or expectancy, whether now owned or held or hereafter acquired and any other rights and interests of Borrower which at any time relate to, or arise out of, or in connection with the foregoing and all products, rents, profits, royalties, issues, revenue, income and other benefits thereof.

"Rental Expense" means, with respect to any Person, for any period, the aggregate of all amounts paid or accrued with respect to Lease Obligations during such period, as determined in accordance with generally accepted accounting principles.

"Required Consolidated FCCR" has the meaning ascribed to such term in Section 3.15.

"Required Unit FCCR" has the meaning ascribed to such term in Section 3.15.

"Scheduled Monthly Credit Enhancement Obligation Payment" shall have the meaning ascribed to such term in the Promissory Note.

"Scheduled Monthly Loan Payment" shall have the meaning ascribed to such term in the Promissory Note.

"Securitization" means the sale, pledge, grant of a security interest, collateral assignment, transfer and delivery or other encumbrance or disposition of all or any portion of the Program Loans (or the Secured Party's rights and powers therein) by the Secured Party, from time to time, to one or more of its Affiliates or to other Persons, including the sale of the Program Loans by the Secured Party to one or more Persons who will issue debt instruments or equity certificates backed by such Program Loans and the servicing of such Program Loans by Person appointed as servicer in connection therewith.

"State" shall have the meaning ascribed to such term in the Promissory Note.

"Store" means a commercial property, business or franchise owned and/or operated by the Borrower and includes all aspects of such commercial property, business or franchise.

"Trademarks" shall mean all United States or other registered or unregistered trademarks (including, but not limited to, those trademarks listed on Schedule 5 attached hereto), trade names, service marks and service names together with the goodwill of the business connected with the use thereof, and symbolized thereby, all licenses thereto (including the License, if applicable) and all applications therefor, and all reissues, divisions, continuations, renewals, extensions, modifications, supplements thereto or to any part thereof, and the right to sue for past, present and future infringements of the foregoing, and all rights corresponding to the foregoing throughout the world.

"UCC" means the Uniform Commercial Code (or any comparable law) in effect in any relevant jurisdiction the laws of which govern the perfection of security interests hereunder.

"Unit FCCR" means, with respect to any Pledged Store, for any period, the ratio of (a) such Pledged Store's Cash Flow for such period to (b) the sum of Fixed Charges and Rental Expense of the Borrower for such Pledged Store of such period.

1.2. Certain Calculations. For the purposes of calculating the Borrower's Cash Flow, Discretionary Expenses, Non-Recurring Expenses, Non-Recurring Income, Indebtedness and Lease Obligations, the term "Borrower" shall mean the Borrower and any Affiliate of the Borrower (an "Affiliate Guarantor") that is providing the Secured Party with a guarantee of any of the Borrower's Obligations and the term "financial statement" shall mean a consolidated financial statement of the Borrower and such Affiliate.

1.3. Rules of Construction. When used in this Security Agreement: (a) "or" is not exclusive; (b) a reference to a law includes any amendment or modification of such law; (c) a reference to a Person includes its permitted successors and permitted assigns; and (d) a reference to an agreement, instrument or document shall include such agreement, instrument or document as the same may be amended, modified or supplemented from time to time in accordance with its terms.

## ARTICLE II

### SECURITY INTERESTS

#### 2. Security Interests.

2.1. Pledge and Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due of all of the Obligations, the Borrower hereby pledges and grants to the Secured Party, a continuing security interest in, and Lien on, all of the Borrower's right, title and interest in and to the following (collectively, the "Collateral"): all Accounts, Goods, Documents, Chattel Paper, Deposit Accounts, Instruments, Inventory, Equipment, General Intangibles, Contracts (including, without limitation, all Franchise Agreements and Licenses), all catering income, certificates of title, fixtures, money, securities, deposits, credits, claims, demands, assets and other personal property, now owned, existing, hereafter acquired, held, used, sold or consumed and any other property, rights and interests of the Borrower which at any time relate to, arise out of or in connection with the foregoing or which shall come into the possession or custody or under the control of the Secured Party or any of its agents, representatives, associates or correspondents, in connection with the foregoing; any and all additions and accessions, replacements, substitutions and improvements, of or to all the foregoing; and all products, rents, profits, offspring and Proceeds thereof. Without limiting the generality of the foregoing, this Security Agreement also secures the payment of all amounts which constitute part of the Obligations and would be owed by the Borrower to the Secured Party but for the fact they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower.

2.2. Security Interest Absolute. All rights of the Secured Party and the security interests hereunder shall be absolute and unconditional irrespective of:

(a) any change in the time, manner, amount or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Promissory Note or any other Loan Document;

(b) any exchange, release or nonperfection of all or any part of the Collateral or any other collateral, or any release from, amendment to, waiver of or consent to departure from any guaranty, for all or any of the Obligations; or

(c) to the fullest extent permitted by law, any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Borrower or a third party pledgor.

## ARTICLE III

### REPRESENTATIONS, WARRANTIES AND COVENANTS

3. Representations, Warranties and Covenants. The Borrower hereby represents, warrants and covenants that:

3.1. Organization. The Borrower (unless the Borrower is an individual) is and will continue to be duly formed, validly existing and in good standing under the laws of the state of its organization set forth on Schedule 1 and is duly authorized to do business in, and is in good standing in each jurisdiction where the Business, the Franchised Restaurants, or the Property is located and where such organization, qualification or standing is necessary, required or proper in connection with the Franchised Restaurants, the Borrower's ownership or use of the Liquor Licenses (if any), or the Collateral or the Property or the conduct of the Business.

3.2. Power and Authority. The Borrower (and, with respect to clause (c), below, in the case of Loan Documents executed by an Affiliate Guarantor, each such Affiliate Guarantor) has all requisite power, authority and the legal right and all necessary permits, consents, licenses and authorizations (a) to own the Collateral, (b) to conduct the Business, (c) to hold the Liquor License (if any), and (d) to execute, deliver and perform its obligations under this Security Agreement, the Promissory Note and the other Loan Documents.

3.3. Execution and Delivery; Enforceability. Upon execution, this Security Agreement, the Promissory Note and the other Loan Documents will be duly executed and delivered by the Borrower (and in the case of Loan Documents executed by an Affiliate Guarantor, by each such Affiliate Guarantor). Upon execution, each of this Security Agreement, the Promissory Note and the other Loan Documents will constitute a legal, valid and binding obligation of the Borrower, enforceable against the Borrower, in accordance with its terms.

3.4. Name; Chief Executive Office; Location.

(a) The Borrower's legal name, federal tax payor identification number, and mailing address are accurately set forth on Schedule 1. The Borrower has not merged, consolidated, acquired all or substantially all of the assets of any other Person, or except as disclosed on Schedule 1, used any other name (whether in connection with the Business, Property or the Collateral or for business, obtaining credit or financing or otherwise) in the last five years.

(b) The Borrower's principal place of business, chief executive office (and, if the Borrower is an individual, residence) is accurately set forth on Schedule 1.

(c) The Borrower operates and shall continue to operate the Pledged Stores from the Property at the address(es) and in the county(ies) and state(s) set forth in Schedule 1. Schedule 1 correctly discloses all Property and that the Borrower either (i) is sole record owner of the Property or (ii) leases (or subleases) the Property and the record owner of each Property is the person or entity disclosed on Schedule 1. All personal property of the Borrower including, without limitation, Accounts, Goods, Inventory, Equipment, General Intangibles, Contracts, Chattel Paper, Instruments, Documents, Liquor Licenses, certificates of title, fixtures, securities and money, and all writings relating thereto and records thereof, books of record or account, employees, business, offices and operations are located at and conducted out of such Property or at its chief executive office.

(d) The Borrower will neither change its name, federal tax payor identification number, or its chief executive office (or, if an individual, residence), nor the location of its business, property or assets (including the Pledged Stores, the Franchised Restaurants, the Liquor License (if any), and the Collateral), nor assume a different name, nor conduct its business or affairs under any other name or in any other location, nor merge, consolidate, or change its corporate structure (whether by stock sale, issuance, purchase or otherwise), nor

change its use of any item of Collateral, or the Liquor License (if any), without in each instance providing the Secured Party with not less than sixty (60) days prior written notice of the proposed action and specifying within such notice and with reasonable clarity and particularity the timing and nature of such proposed action. Additionally, the Borrower shall provide such other information in connection with the proposed action as the Secured Party may reasonably request and shall have taken all action, reasonably satisfactory to the Secured Party, to maintain the security interest of the Secured Party in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

3.5. No Conflict. The Borrower's (and in the case of Loan Documents executed by an Affiliate Guarantor, such Affiliate Guarantor's) execution, delivery and consummation of the transactions contemplated by this Security Agreement, the Promissory Note and other Loan Documents do not and will not (with the passage of time or otherwise) (a) conflict with, violate or constitute a default under any law, rule, regulation, order, decree, contract, agreement (including the Franchise Agreement), note, mortgage, bond, indenture, lease, license, or obligation of or applicable to the Borrower (or such Affiliate Guarantor), the Liquor License (if any) or the Collateral or (b) grant, create or result in any Lien in favor of any person (other than the Secured Party) on or to the Business or any other property or assets of the Borrower (including the Collateral and the Franchise Agreement).

3.6. No Consent Required. Except for the filing of the Financing Statements in the locations set forth on Schedule 2 hereto (and, if applicable, the recording of the mortgage or deed of trust included in the Loan Documents), no consent of any other Person and no authorization, approval or other action by and no notice to or filing with, any court, government, agency or regulatory authority is required (a) for the grant by the Borrower of the pledge and security interest granted hereby or for the execution, delivery or performance of this Security Agreement, the Promissory Note and other Loan Documents or (b) for validity, perfection or maintenance of the pledge, lien and security interest created hereby.

3.7. Affiliates. Schedule 3 contains a complete and accurate list of all Affiliates of the Borrower (including Affiliate Guarantors) who have executed and delivered any note, security agreement, guarantee or other loan document to the Secured Party.

3.8. Title to the Collateral. The Borrower has and, subject to Section 4, will maintain good and marketable title to the Collateral, the Franchise Agreement and the Liquor License (if any) free of all Liens (other than Permitted Liens and the security interest granted to the Secured Party hereunder) and such Collateral, Franchise Agreement and the Liquor License (if any), are sufficient to enable (i) a franchisee and franchisor to operate the Pledged Stores at the Property in accordance with the Franchise Agreement and (ii) a franchisor to operate the franchise of the Franchised Restaurants in accordance with the Franchise Agreement.

3.9. No Liens. Except as shown on the Lien List attached hereto as Exhibit A, there is no Lien (including any federal or state tax lien), suit (including any action, proceeding, or other litigation pending, or to the Borrower's knowledge, threatened) or judgment (including any award, injunction, order) filed with, registered, indexed or recorded in any public office, court, arbitration panel, administrative agency or regulatory authority (or intended so to be), directly or indirectly, identifying or encumbering or covering or involving the Collateral, the Franchise Agreement, or the Liquor License (if any) or which could have a material adverse effect on the Borrower, any Pledged Store, any Franchised Restaurant or the Borrower's ability to perform its Obligations. All Liens listed on Exhibit A shall be removed upon funding of the Loan unless such lien is specifically identified as a Permitted Lien. Other than the security interest granted to the Secured Party hereunder and the Permitted Liens, and except as provided in Section 4 hereof, the Borrower has not and, without the prior written consent of the Secured Party, will not enter into any agreement or understanding or take, permit or suffer to exist any action (including the filing of a financing statement, agreement, pledge, mortgage, notice or registration) or event (whether by operation of law or otherwise) for the purpose of, or that may have the effect of, directly or indirectly, (a) granting a Lien on (including any state or federal tax lien), pledging, transferring, assigning, selling, disposing of, or encumbering any Collateral, the Franchise Agreement or the Liquor License (if any), any interest therein or rights pertaining thereto or involving the Borrower, the Pledged Stores or the Franchised Restaurants, or (b) changing, modifying, supplementing, or increasing the amount of credit, loans, indebtedness or value secured by the Permitted Liens, if any, or the amount, property or assets encumbered thereby.

3.10. Maintenance of Collateral and Business. At the Borrower's sole cost and expense, the Borrower shall (a) keep, use, operate and maintain the Collateral, the Pledged Stores, the Business, the Liquor License (if any), the Franchised Restaurants and the Property in accordance with applicable laws, rules, and regulations, and in accordance with the standards established by the Franchise Agreement (b) operate the Pledged Stores at the Property and in accordance with the Franchise Agreement and customary, prudent business practices, and at all times fully comply with terms and provisions of the Franchise Agreement (c) operate the Franchised Restaurants in accordance with the Franchise Agreement and customary, prudent business practices, and at all times fully comply with the terms and provisions of the Franchise Agreement, (d) fully comply with all current and future laws and regulations concerning the storage and sale of petroleum products, if applicable, and (e) not do or suffer to be done any act whereby the value of the Collateral, the Property, the Liquor License (if any), any Pledged Store, any Franchised Restaurant, or any part or interest therein may be lessened in any material respect. The Borrower shall notify the Secured Party promptly of any actual or threatened destruction or material damage or impairment of any Franchised Restaurant, any Pledged Store, the Collateral, the Property, the Liquor License (if any), or if Borrower receives a notice of violation from any governmental entity or agency.

3.11. Perfected Security Interest. This Security Agreement and the grant and transfer of the Collateral hereunder creates a valid and enforceable security interest in the Collateral. Upon filing of the Financing Statements in the locations set forth on Schedule 2 hereto, such security interest will be perfected and subject to no prior or equal security interest other than and only to the extent of the Permitted Liens. The execution and filing of the Financing Statements has been duly authorized by all appropriate action on the part of the Borrower (and any other Person named as debtor therein) and the Borrower (and any other Person named as debtor therein) has duly executed the Financing Statements.

3.12. No Violation: Indemnity. The Borrower has not and shall not acquire, obtain, make, manufacture, produce, operate, hold, possess, maintain, use, sell, transfer, grant, pledge, or dispose of (for purposes of this Section 3.12, collectively "the Borrower's use") any of its Business, securities, property or assets (including any proceeds of the Loans, the Collateral, the Liquor License (if any), and the Property) in violation of any statute, law, rule, ordinance, regulation, policy, procedure, injunction, award, decree, judgment, contract, agreement (including the Franchise Agreement, understanding, or right or interest of any other Person (for purposes of this Section 3.12, each such event a "violation")), and to the Borrower's knowledge no such violation has been made by any other Person and no basis for a claim of any such violation exists. The Borrower shall indemnify and hold the Secured Party harmless from and against any such violation, and any other loss, liability, damage, cost or expense whatsoever (including attorneys' fees and disbursements) arising out of or in connection with the Borrower's use of any of its Business securities, property or assets (including any proceeds of the Loans, the Collateral, the Liquor License (if any), and the Property).

3.13. Franchise Agreement. The Borrower is and will continue to be in good standing under each Franchise Agreement. The Borrower has not breached and is not in default under the Franchise Agreement; the Borrower shall not terminate, fail to renew, breach or be in default under the Franchise Agreement; and the Borrower has no knowledge of any claim of (or basis for any claim of) any such termination, nonrenewal, breach or default. The Borrower agrees to fully comply, at the Borrower's own cost and expense, with the terms of the License and the Franchise Agreement (including any renewal option) and to promptly notify the Secured Party of any adverse development with regard to the Franchise Agreement or the License, including any claim of breach of or default under, or threat of nonrenewal or termination of, or litigation involving the Franchise Agreement or the License.

3.14. Operating Experience. The Borrower (or the manager of each Pledged Store) has had at least two years experience operating a business or businesses similar to the Business of the Pledged Store. In addition, each Pledged Store and each Franchised Restaurant has been operating for at least twelve months.

3.15. FCCR. During the term of this Security Agreement, the Borrower shall maintain (a) a Unit FCCR for each Pledged Store of not less than 1.30:1 (the "Required Unit FCCR") and (b) a Consolidated FCCR of not less than 1.35:1 (the "Required Consolidated FCCR"). All calculations of each Unit FCCR and the Consolidated FCCR shall be based upon the financial information furnished by the Borrower hereunder (see Sections 3.21 and 3.22) for the

twelve-month period ending December 31 of each year or more frequently as the Secured Party may from time to time reasonably request.

3.16. Limitation on Indebtedness, Lease Obligations and Distributions. The Borrower shall not, directly or indirectly, incur any Indebtedness, Lease Obligations or make or become obligated to make any Distributions if after giving effect to such incurrence or payments, any Unit FCCR would be less than the Required Unit FCCR or the Consolidated FCCR would be less than the Required Consolidated FCCR.

3.17. Inspection. The Borrower shall allow the Secured Party, its agents and representatives, from time to time, to inspect the Collateral, the Property, the Franchised Restaurants, the Liquor License (if any) and the Borrower's books and records pertaining thereto or otherwise to the Business, and the Borrower will assist (and permit abstracts and photocopies of the Borrower's books and records to be taken and retained by) the Secured Party, its agents and representatives in making any such inspection.

3.18. Insurance. At the Borrower's sole cost and expense, the Borrower shall:

(a) (i) maintain property insurance coverage for the Collateral (which for purposes of this Section 3.18 includes the Property) written on the Special Cause of Loss Form (including flood, if no certification or other evidence satisfactory to the Secured Party is delivered to the Secured Party to the effect that the Property is not located within a federally designated special flood hazard area) with such company or companies as may be required by the Secured Party, in an amount not less than the lesser of (A) the replacement value thereof, and (B) the Loan Amount payable under the Promissory Note), but in no event less than the minimum amount required to prevent the imposition of any coinsurance requirement on the insured, (ii) maintain commercial general liability insurance of not less than one million dollars for each occurrence with an aggregate limit of insurance (per location) of not less than two million dollars, (iii) maintain business income and business income from dependent properties insurance with scope and coverage reasonably satisfactory to the Secured Party, and (iv) maintain such other insurance (including workers' compensation), as may be required by law, by the Secured Party, or by the Franchise Agreement;

(b) cause all commercial general liability insurance policies required hereunder (i) to be maintained by providers either (A) having ratings of not less than B++ from A.M. Best Company Inc. (or comparable ratings from a comparable rating agency) or (B) who, if not so rated, have been approved by the Secured Party and (ii) to contain an additional insured endorsement on ISO form CG2026, without modification and satisfactory in form and substance to the Secured Party providing for payment directly to the Secured Party and its designees and to provide for a minimum of thirty (30) days notice to the Secured Party and its designees prior to cancellation, modification, reduction in coverage or nonrenewal;

(c) cause all other insurance policies required hereunder (i) to be maintained by providers either (A) having ratings of not less than B++ from A.M. Best Company Inc. (or comparable ratings from a comparable rating agency) or (B) who, if not so rated, have been approved by the Secured Party and (ii) to contain a lender's loss payable endorsement and mortgagee's endorsement satisfactory in form and substance to the Secured Party providing for payment directly to the Secured Party and its designees and to provide for a minimum of thirty (30) days notice to the Secured Party and its designees prior to cancellation, ~~or~~ modification, reduction in coverage or nonrenewal;

(d) timely pay all premiums, fees and charges required in connection with all of its insurance policies and otherwise continue to maintain such policies in full force and effect;

(e) promptly deliver the insurance policies, endorsements, certificates (and renewals) thereof or other evidence of compliance herewith to the Secured Party; and

(f) promptly notify the Secured Party of any loss covered by such insurance policies and allow the Secured Party to join the Borrower in settling any loss in excess of \$50,000.



3.19. Loan Proceeds. No part of the proceeds of the Loans will be used, directly or indirectly, for the purpose of buying or carrying any "margin stock" within the meaning of Regulation G or U of the Board of Governors of the Federal Reserve System. The Borrower intends to and agrees to use the proceeds of the Loans solely for the lawful, proper business or commercial purpose(s) set forth in its application for the Loans and Secured Party's commitment letter.

3.20. Solvency. The Borrower (and each Affiliate Guarantor) is solvent and, after giving effect to the Obligations, will continue to be solvent.

3.21. Reporting Requirements. The Borrower agrees to provide to the Secured Party within twenty (20) days after June 30 and December 31 of each calendar year during the term of this Security Agreement, a compliance certificate (in the form attached hereto as Exhibit C). The Borrower further agrees to provide to the Secured Party: (a) within seventy-five (75) days after December 31st of each calendar year and as the Secured Party may reasonably request from time to time, consolidated Borrower, individual Pledged Store and individual Franchised Restaurant internally generated financial statements covering the twelve (12) month period then-ended; and (b) copies of such other reports and information as the Secured Party may from time to time request. The financial statements furnished to the Secured Party in connection with the Borrower's application for the Loans and hereunder reflects all Indebtedness and Lease Obligations of the Person covered thereby and is sufficiently detailed to allow the Secured Party to calculate the Unit FCCR of each Pledged Store, each Franchised Restaurant and the Consolidated FCCR. The Borrower further agrees to provide to the Secured Party, promptly following receipt by the Borrower, complete and accurate copies of any communications that are material to the Borrower, the Business, the Franchise Agreement (if applicable), or the Collateral. The Borrower, if a party to a Franchise Agreement, hereby authorizes Secured Party to obtain sales and goodstanding verification directly from the other party to such Franchise Agreement.

3.22. Accuracy of Information. All information, reports, statements and financial and other data furnished (or hereafter furnished) by the Borrower to the Secured Party, its agents or representatives hereunder or in connection with the Borrower's application for the Loans and the Obligations, are (and shall be on the date so furnished) true, complete and correct. Borrower hereby authorizes Secured Party to request credit bureau reports while any of the Obligations are outstanding.

### 3.23. Employee Benefit Plans.

#### (a) Definitions.

"Employee Benefit Plan" means any group health insurance, group life insurance, medical, §401(k), profit sharing, defined benefit, pension, cafeteria, SIMPLE, SEP, Borrower-sponsored IRA or any other employee benefit plan sponsored by the Borrower, including without limitation any program, arrangement or plan within the meaning of Section 3(3) of ERISA.

"Borrower." For purposes of this Section 3.23, the term "Borrower" shall include all employers (whether or not incorporated) which by reason of common control or otherwise are treated together with Borrower as a single employer within the meaning of the Internal Revenue Code ("Code"), including without limitation under Code Sections 414(b), (c), (m), (n) or (o).

(b) Employee Benefit Plans Comply With ERISA and Code. For every Employee Benefit Plan (i) the Employee Benefit Plan is in compliance with ERISA and the Code, (ii) no accumulated funding deficiency within the meaning of ERISA or the Code has been incurred, and (iii) neither Borrower nor any other party has applied for or obtained a waiver from the Internal Revenue Service of any minimum funding requirement. Each Employee Benefit Plan intended to be qualified under the Code has been determined to be qualified by the Internal Revenue Service and nothing has occurred since the date of the last determination which resulted or is likely to result in the revocation of the determination.

(c) No PBGC or Withdrawal Liability. Borrower has not incurred any liability to the Pension Benefit Guaranty Corporation ("PBGC") in connection with any Employee Benefit Plan or ceased operations at any facility or withdrawn from any Employee Benefit Plan in a manner which could give rise to liability under ERISA. For example and without limitation, no Employee Benefit Plan has been a plan for which a "reportable event," within the meaning of Section 4043 of ERISA, has occurred, or to the knowledge of Borrower, has been a plan for which any liability to the PBGC has been or is expected to be incurred. Borrower has not incurred any withdrawal liability (including any contingent or secondary withdrawal liability) within the meaning of ERISA to any Employee Benefit Plan which is a multiemployer plan (as defined by ERISA), and no event has occurred, and there exists no condition or set of circumstances, which presents a material risk of the occurrence of any withdrawal from or the partition, termination, reorganization or insolvency of any multiemployer plan which could result in any liability with respect to a multiemployer plan. Borrower has not been notified by the sponsor of any multiemployer plan that the multiemployer plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and operations have not ceased at any facility which would subject Borrower to the provisions of Section 4062(e) of ERISA. No proceeding has been instituted on behalf of any multiemployer plan against Borrower to enforce Section 515 of ERISA.

(d) No Tax or Other Liability. Borrower has no liability for any Employee Benefit Plan for any lien, tax, penalty or excise tax under ERISA or the Code. Other than claims for benefits submitted by participants or beneficiaries, no claim, lawsuit or cause of action against or proceeding involving any Employee Benefit Plan is pending or, to Borrower's knowledge, threatened by any party. Except to the extent required under Section 601 *et seq.* of ERISA and Section 4980B of the Code, Borrower provides no benefits described in Section 3(1) of ERISA to any retired or former employee or is obligated to provide benefits to or on behalf of any employee following the employee's retirement or other termination of service with Borrower.

(e) No Prohibited Transactions. No transaction relating to any Employee Benefit Plan proscribed by Section 406 of ERISA ("Prohibited Transaction") has occurred for which an exemption is not expressly available and applicable under ERISA. Furthermore, to the extent within the knowledge or control of the Borrower, neither the execution and delivery of this Security Agreement, the acquisition of the Promissory Note by Secured Party or its Assigns, nor the consummation of any other transaction contemplated by this Security Agreement constitutes or will constitute a Prohibited Transaction with respect to any Employee Benefit Plan for which an exemption is not expressly available and applicable under ERISA.

(f) All Employee Benefit Plans Funded and Currently In Compliance. Borrower has performed all of Borrower's obligations under all Employee Benefit Plans. Full and timely payment has been made of all amounts which Borrower is required, under applicable law or under any Employee Benefit Plan or any other agreement to which Borrower is a party, to have paid for each Employee Benefit Plan. Borrower has made adequate provision for reserves for all obligations and liabilities under each Employee Benefit Plan that have accrued but are not yet due under the terms of any Employee Benefit Plan or related agreements.

(g) Transaction Will Not Trigger Benefits. The execution and delivery of this Security Agreement, and the consummation of the transactions contemplated by this Security Agreement, will not (i) result in any payment by Borrower (including, without limitation, severance, unemployment compensation, parachute payment, bonus or otherwise) becoming due to any director, employee, or independent contractor of Borrower under any Employee Benefit Plan, agreement or otherwise, (ii) increase any benefits otherwise payable under any Employee Benefit Plan or agreement, or (iii) increase or create any liability referred to in either Section 3.23(b) or 3.23(c) above.

3.24. Taxes. The Borrower and each of its Affiliates and each entity which might have tax liabilities for which the Borrower or any of its Affiliates is or may be liable, has filed all tax returns and paid all taxes required by law to be filed or paid, which have become due pursuant to said returns (or which to the knowledge of the Borrower are due and payable) and on all assessments received by the Borrower, such Affiliate or such entity, as the case may be. No extensions of the time for the assessment of deficiencies have been granted by the Borrower or any of its Affiliates. There are no material Liens on any properties or assets of the Borrower or any of its Affiliates imposed or arising as a result of the delinquent payment or the nonpayment of any tax, assessment, fee or other governmental charge. The

income tax returns of the Borrower and its Affiliates have been examined and reported upon by the relevant tax authorities, or closed by applicable statutes of limitations, for all fiscal years through the fiscal year ended N/A, \_\_\_\_\_, and neither the Borrower nor any of its Affiliates nor any such entity has given or consented to any waiver of the statute of limitations with respect to its tax liabilities for any such year. Adequate provision has also been made for all other taxes (whether past, current or deferred, federal, provincial, local or foreign, due or to come due) on such balance sheet, and the Borrower knows of no transaction or matter which might or could result in additional tax assessments to the Borrower or any of its Affiliates in the ordinary course since the date of such balance sheet. There are no applicable taxes, fees or other governmental charges payable by the Borrower or any of its Affiliates in connection with the execution and delivery of this Security Agreement, and the other Loan Documents by the Borrower or any of its Affiliates or the offer, issuance, sale and delivery of the Promissory Note by the Borrower.

3.25. Property Leases. The Borrower, if a tenant or subtenant under a lease or sublease of the Property, shall not terminate any such lease or sublease, and the Borrower has no knowledge of any claim of (or basis for any claim of) any such termination. The Borrower agrees to exercise and fully comply with the terms of all renewal options provided for in such lease or sublease, and to promptly notify the Secured Party of any adverse development with regard to the threat of nonrenewal or termination of such lease or sublease.

3.26. Catering Business. Notwithstanding anything to the contrary contained in the Loan Documents, the catering component of Borrower's business is and will continue to be owned and operated by Borrower and is not and will not become a Person separate from Borrower.

3.27. Liquor License. Liquor licenses have been issued to Borrower by both the State of Colorado and local licensing authority with respect to Borrower's location(s) set forth on Schedule 4. The Liquor Licenses are and will continue to be in full force and in good standing, and Borrower shall pay any and all fees and costs in connection therewith. Borrower is not in violation of the Liquor Licenses and Borrower shall not fail to renew the Liquor Licenses. Borrower agrees to fully comply, at Borrower's own cost and expense, with the terms and conditions of the Liquor Licenses.

3.28. Management and Oversight Fee. Famous American Barbecue, LLC and FAB Restaurant Licensing Corp. shall be entitled to pay Bennett's Management Services Company, LLC a fee (the "Management Fee") for management and oversight services provided to Famous American Barbecue, LLC and FAB Restaurant Licensing Corp. by Bennett's Management Services Company, LLC in a total amount which shall not exceed five percent (5%) of the gross annual sales of Famous American Barbecue, LLC, projected on an annual basis and paid in uniform monthly installments, provided however, that in no event shall Famous American Barbecue, LLC or FAB Restaurant Licensing Corp. pay any portion of the monthly Management Fee unless, immediately after such payment, the FAB FCCR is greater than or equal to 1.35:1 and the FABRLC FCCR is greater than or equal to 1.35:1. Furthermore, Famous American Barbecue, LLC and FAB Restaurant Licensing Corp. shall not pay any Affiliate or any Affiliate of any Borrower including, without limitation, Restaurant Investors Management III, Corp., Great American Restaurant Properties, Inc., or any of the affiliates or principals of the foregoing entities or the affiliates of any such principals, any amounts in any form whatsoever (including any amounts in the form of dividends, distributions, salaries, consulting fees or management fees) in addition to or in lieu of the Management Fee unless, immediately after such payment, the Borrower's Consolidated FCCR is greater than or equal to 1.35:1. Bennett's Management Services Company, LLC shall not take any action against Famous American Barbecue, LLC or FAB Restaurant Licensing Corp. to recover any of the Management Fee, unless Borrower has paid in full all Obligations. Furthermore, Bennett's Management Services Company, LLC shall not demand, accept or receive (i) any payment related to the Management Fee unless Borrower is current on all Obligations or (ii) any security for the Management Fee. Any and all of the Management Fee and any other indebtedness of Famous American Barbecue, LLC or FAB Restaurant Licensing Corp. to Bennett's Management Services Company, LLC of every kind and description, whether now or hereafter existing, shall be and hereby is fully subordinated to the Obligations.

## ARTICLE IV

### SPECIAL PROVISIONS CONCERNING INVENTORY, EQUIPMENT AND REAL PROPERTY

4. Special Provisions Concerning Inventory, Equipment and Real Property. The Borrower shall do nothing to impair the rights of the Secured Party in the Inventory and the Equipment and shall cause the Inventory and the Equipment to at all times be, constitute and remain personal property subject to the security interest granted to the Secured Party. Notwithstanding the preceding sentence, provided the Borrower is not in default under any of its Obligations (and no event which with the passage of time would be an Event of Default has occurred and is continuing), in the ordinary course of the Borrower's Business, (a) the Borrower may sell its Inventory, and (b) subject to sections 3.15 and 3.16 hereto, with the prior consent of the Secured Party, which will not be unreasonably withheld, the Borrower may, from time to time, refinance existing Permitted Liens in accordance with the terms thereof, replace its Equipment, acquire new Equipment and accessions to its Equipment, or acquire fee interest in (or ground lease of) any Property, subject to purchase money security interests; provided that, if the Secured Party has a leasehold mortgage or deed of trust on any lease of such Property, such lease remains in full force and effect, subject to the Secured Party's security interest and any Person with a lien on the fee interest in (or ground lease of) such Property provides the Secured Party with a nondisturbance agreement and such other assurances as the Secured Party shall reasonably request.

## ARTICLE V

### SPECIAL PROVISIONS CONCERNING INSURANCE AND CONDEMNATION PROCEEDS AND PROCEEDS

5. Special Provisions Concerning Insurance and Condemnation Proceeds and Proceeds.

5.1. Special Provisions Concerning Insurance and Condemnation Proceeds. Unless prohibited under the terms of the Property lease, if applicable, the Borrower hereby directs any and all transferors, distributors or payors (including insurance companies with whom the Borrower maintains insurance) to make payment of all Insurance and Condemnation Proceeds directly to the Secured Party and authorizes the Secured Party, in its sole discretion, to apply the same toward repayment of the Loans, whether or not due, or, toward replacement of the Collateral. Notwithstanding the terms of the Property lease, if applicable, the Borrower will use its best efforts and hereby assigns the Insurance and Condemnation Proceeds toward replacement of the Collateral and shall keep any lease or options to extend the lease in effect until the Loans are paid.

5.2. Special Provisions Concerning Proceeds. All Proceeds, whether received by the Secured Party or by the Borrower, or by any other Person will be included in the Collateral subject to the security interest granted to the Secured Party hereunder. Upon and during the continuation of an Event of Default, the Borrower shall (a) identify, earmark, segregate and keep separate all Proceeds received by it, (b) upon the Secured Party's request, promptly account to the Secured Party for all Proceeds, and (c) hold all Proceeds received by the Borrower in trust for the benefit of the Secured Party and shall promptly (and in any event not later than the fifth day after receipt) deliver (or cause to be delivered) the same to the Secured Party and into its possession in the form received by the Borrower and at a time and in a manner satisfactory to the Secured Party.

## ARTICLE VI

### SPECIAL PROVISION CONCERNING RIGHTS AND DUTIES WHILE IN POSSESSION OF COLLATERAL

6. Special Provision Concerning Rights and Duties While in Possession of Collateral.

6.1. Borrower's Possession. Upon and during the continuance of an Event of Default, to the extent the same shall, from time to time, be in the Borrower's possession, the Borrower will hold all securities, Instruments, Chattel Paper, Documents, certificates and money and other writings evidencing or relating to the Collateral or Liquor License (if any) in trust for the Secured Party and, upon request or as otherwise provided herein, promptly deliver the same to the Secured Party in a form received and at a time and in a manner satisfactory to the Secured Party. With respect to the Collateral in the Borrower's possession the Borrower shall at the Secured Party's request take such action as the Secured Party in its discretion deems necessary or desirable to create, perfect and protect the Secured Party's security interest in any of the Collateral.

6.2. Secured Party's Possession. With respect to all of the Collateral and those Liquor Licenses delivered or transferred to, or otherwise in the custody or control of (including any items in transit to or set apart for) the Secured Party or any of its agents, associates or correspondence in accordance with this Security Agreement, the Borrower agrees that: (a) such Collateral and Liquor Licenses will be, and is deemed to be in the sole possession of the Secured Party; (b) subject to Section 4, the Borrower has no right to withdraw or substitute any such Collateral or Liquor License without the consent of the Secured Party, which consent may be withheld or delayed in the Secured Party's sole discretion; (c) the Borrower shall not take or permit any action, or exercise any voting and other rights, powers and privileges in respect of the Collateral and Liquor Licenses inconsistent with the Secured Party's sole possession thereof; and (d) the Secured Party may in its sole discretion and without notice, without obligation or liability except to account for property actually received by it, and without affecting or discharging the Obligations, (i) further transfer and segregate the Collateral and Liquor Licenses in its possession; (ii) receive Proceeds and hold the same as part of the Collateral and/or apply the same as hereinafter provided; and (iii) exchange any of the Collateral and Liquor Licenses for other property upon reorganization, recapitalization or other readjustment. Following the occurrence of an Event of Default, the Secured Party is authorized (A) to exercise or cause its nominee to exercise all or any rights, powers and privileges (including to vote) on or with respect to the Collateral and Liquor Licenses with the same force and effect as an absolute owner thereof; (B) whether any of the Obligations be due, in its name or in the Borrower's name or otherwise, to demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for, or make any compromise or settlement the Secured Party deems desirable with respect to, any of the Collateral and Liquor Licenses; and (C) to extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, or release, any of the Collateral. Notwithstanding the rights accorded the Secured Party with respect to the Collateral and Liquor Licenses, and except to the extent provided below or required by the UCC or other applicable law (which requirement cannot be modified, waived or excused), the Secured Party's sole duty with respect to the Collateral and Liquor Licenses in its possession (with respect to custody, preservation, safekeeping or otherwise) will be to deal with it in the same manner that the Secured Party deals with similar property owned and possessed by it. Without limiting the foregoing, the Secured Party, and any of its officers, directors, partners, trustees, owners, employees and agents, to the extent permitted by law (1) will have no duty with respect to the Collateral and Liquor Licenses or the rights granted hereunder; (2) will not be required to sell, invest, substitute, replace or otherwise dispose of the Collateral and Liquor Licenses; (3) will not be required to take any steps necessary to preserve any rights against prior parties to any of the Collateral and Liquor Licenses; (4) will not be liable for (or deemed to have made an election of or exercised any right or remedy on account of) any delay or failure to demand, collect or realize upon any of the Collateral and Liquor Licenses; and (5) will have no obligation or liability in connection with the Collateral and Liquor Licenses or arising under this Security Agreement. The Borrower agrees that such standard of care is reasonable and appropriate under the circumstances.

## ARTICLE VII

### EVENTS OF DEFAULT

7. Events of Default. The happening of any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) the Borrower shall fail to make any payment under this Security Agreement, the Promissory Note or any Loan Document when the same becomes due and payable and such failure shall continue for five Business Days after the Secured Party provides notice to the Borrower of such failure; or

(b) the Borrower shall default under, fail to perform or observe any covenant or condition of or agreement in, or breach, or make a material inaccuracy in or omission from, any representation or warranty under or in, this Security Agreement, the Promissory Note, any other Loan Document, the Franchise Agreement or the License, any financial or other statement delivered to the Secured Party or any agreement, instrument or obligation in connection with any Permitted Lien, and such default, failure, breach, inaccuracy or omission shall continue unremedied for the earliest of (i) fifteen (15) days following the date that notice of such default, failure, breach, inaccuracy or omission is given to the Borrower by the Secured Party, (ii) fifteen (15) days following the date that the Borrower first obtains knowledge of such default, failure, breach, inaccuracy or omission, or (iii) in the case of any Permitted Lien, the occurrence of such event (or, if there exists an applicable cure period, the expiration of such cure period); or

(c) if the Borrower is a party to a Franchise Agreement as of the execution of this Security Agreement with regard to a Pledged Store or Franchised Restaurant and the Borrower or other party to such Franchise Agreement shall terminate or not renew such Franchise Agreement; or

(d) any of the Borrower's Affiliates listed on Schedule 3 shall fail to make any payment when due under, or default under, fail to perform or observe any covenant of or condition or agreement in breach of, or make any material inaccuracy in or omission from any representation and warranty under, any security agreement with the Secured Party or note held by the Secured Party or any other loan document with the Secured Party or in any other agreement, instrument, document or certificate, or financial or other statement delivered to the Secured Party, and such failure, default or breach continues beyond any applicable grace period provided therein; or

(e) the Borrower or any Affiliate Guarantor or any partnership in which the Borrower is a partner (each hereinafter called a "Principal Party") shall die, dissolve, merge or consolidate, suspend the transaction of business or incur any material adverse change in its financial condition or prospects; or

(f) the Borrower or any other Principal Party shall be expelled from or suspended by any stock or securities exchange or other exchange, or any proceeding, procedure or remedy supplementary to or in enforcement of judgment (involving an amount in excess of \$20,000 in the aggregate) shall be resorted to or commenced against, or with respect to any property of, the Borrower or any other Principal Party; or

(g) the Borrower or any other Principal Party shall make an assignment for the benefit of, or composition with, creditors, or shall be or become insolvent or unable, or generally fail, to pay its debts when due, or shall be or become a party or subject to any bankruptcy, reorganization, insolvency or other similar proceeding, or a receiver or liquidator, custodian or trustee shall be appointed for the Borrower or any other liable party, or a substantial portion of any of the Borrower's or their respective assets and, if any of the foregoing shall occur involuntarily as to the Borrower and any other Principal Party, it shall not be dismissed with prejudice, stayed or discharged within forty-five (45) days; or

(h) the Borrower or any other Principal Party shall take any action to effect, or which indicates its acquiescence in, any of (e), (f) or (g), above; or

(i) the Borrower defaults under any other loan or note to any lender; or

(j) notwithstanding the foregoing, if a notice of default is given to the Borrower under the lease, (if any) of the Property and such default is not cured within three (3) days from the date of such notice.

## ARTICLE VIII

### REMEDIES UPON OCCURRENCE OF EVENT OF DEFAULT

#### 8. Remedies Upon Occurrence of Event of Default.

8.1. Cumulative Rights and Remedies. Upon the occurrence of an Event of Default, the Secured Party shall have the rights, powers and remedies (a) granted to secured parties under the UCC; (b) granted to the Secured Party under any other applicable statute, law, rule or regulation; and (c) granted to the Secured Party under this Security Agreement, the Promissory Note or any other Loan Document or any other agreement between the Borrower and the Secured Party. In addition, all such rights, powers and remedies shall be cumulative and not alternative. Any single or partial exercise of, or forbearance, failure or delay in exercising any right, power or remedy shall not be, nor shall any such single or partial exercise of, or forbearance, failure or delay be deemed to be a limitation, modification or waiver or any right, power or remedy and shall not preclude the further exercise thereof; and every right power and remedy of the Secured Party shall continue in full force and effect until such right, power and remedy is specifically waived by an instrument in writing executed and delivered with respect to each such waiver by the Secured Party.

8.2. Acceleration of Obligations. Upon the occurrence of an Event of Default, and at any time thereafter if any Event of Default shall then be continuing, the Secured Party may, from time to time in its discretion, by written notice to the Borrower declare the Promissory Note (including any Make Whole Premium required to be paid upon prepayment of any Loan) and any other Obligations to be immediately due and payable whereupon (and, automatically without any notice, demand or other action by the Secured Party, upon the occurrence of any Event of Default set forth in subsections (e) through (h) of Section 7) such principal, interest and other Obligations shall be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower to the maximum extent permitted by law.

8.3. Additional Rights of the Secured Party. Upon the occurrence of an Event of Default, the Secured Party may, from time to time, in its discretion, and without the Borrower's assent, without advertisements or notices of any kind (except for the notice specified in Section 8.5 below regarding notice required in connection with a public or private sale), or demand of performance or other demand, or obligation or liability (except to account for amounts actually received) to or upon the Borrower or any other person (all such advertisements, notices and demands, obligations and liabilities, if any, hereby being expressly waived and discharged to the extent permitted by law), forthwith, directly or through its agents or representatives, (a) disclose such default and other matters (including the name, address and telephone number of the Borrower) in connection therewith in the Secured Party's reasonable discretion to any other Program Borrower, the Borrower's franchisor or franchisee and other creditors or obligors of the Borrower (and the Borrower understands that the Secured Party intends to make such disclosure, from time to time); (b) to the extent permitted by applicable law enter any premises, with or without the assistance of other persons or legal process; (c) require the Borrower to account for (including accounting for any products and proceeds of any Collateral), segregate, assemble, make available and deliver to the Secured Party, its agents or representatives, the Collateral and the Liquor Licenses (if any); (d) take possession of, operate, render unusable, collect, transfer and receive, recover, appropriate, foreclose, extend payment of, adjust, compromise, settle, release any claims included in, and do all other acts or things necessary or, in the Secured Party's sole discretion appropriate, to protect, maintain, preserve and realize upon, the Liquor License (if any), the Collateral and any products and proceeds thereof, in whole or in part; and (e) exercise all rights, powers and interests with respect to any and all Collateral and Liquor Licenses, and sell, assign, lease, license, pledge, transfer, negotiate (including endorse checks, drafts, orders, or instruments), deliver or otherwise dispose (by contract, option(s) or otherwise) of the Liquor License (if any), or the Collateral or any part thereof. Any such disposition may be in one or more public or private sales, at or upon an exchange, board or system or in the county(ies), in the state(s) set forth on Schedule 1 or elsewhere, at such price, for cash or credit (or for future delivery without credit risk) and upon such other terms and conditions as it deems appropriate, with the right of the Secured Party to the extent permitted by law

upon any cash sale or sales, public or private, to purchase the whole or any part of said Collateral and Liquor License, free of any right, claim or equity of redemption of or in the Borrower (such rights, claims and equity or redemption, if any, hereby being expressly waived). Notwithstanding that the Secured Party, whether in its own behalf and/or on behalf of another or others, may continue to hold the Collateral and Liquor License, and regardless of the value thereof, or any delay or failure to dispose thereof, unless and then only to the extent that the Secured Party proposes to retain the Collateral and/or Liquor License in satisfaction of the Obligations by written notice in accordance with the UCC, the Borrower shall be and remain liable for the payment in full of any balance of the Obligations and expenses at any time unpaid. Without limiting the foregoing, upon the Borrower's failure to abide by and comply with its obligations under Section 3 (including Sections 3.9, 3.10 or 3.18) or Section 13 hereof, in addition to its other rights and remedies, the Secured Party may (but is not required to), in its sole discretion and to the extent it deems necessary, advisable or appropriate, take or cause to be taken such actions or things to be done (including the payment or advancement of funds, or requiring advancement of funds to be held by the Secured Party to fund such obligations, including taxes or insurance) as may be required hereby (or necessary or desirable in connection herewith) to correct such failure (including causing the Collateral to be maintained or insurance protection required hereby to be procured and maintained) and any and all costs and expenses incurred (including attorney's fees and disbursements) in connection therewith shall be included in the Borrower's Obligations and shall be immediately due and payable and bear interest at the Default Rate.

8.4. Application of Proceeds. The Secured Party may apply the net proceeds, if any, of any collection, receipt, recovery, appropriation, foreclosure or realization, or from any use, operation, sale, assignment, lease, pledge, transfer, delivery or disposition of all or any of the Collateral and/or the Liquor License (if any), after deducting all reasonable costs and expenses (including attorneys fees, court costs and legal expenses) incurred in connection therewith or with respect to the care, safekeeping, custody, maintenance, protection, administration or otherwise of any and all of said Collateral or Liquor License, or in any way relating to the rights of the Secured Party under this Security Agreement, (a) first, to the satisfaction of the Obligations, in whole or in part, in such order as the Secured Party may, in its discretion, elect; (b) second, to the payment, satisfaction or discharge of any of other Indebtedness or obligation as required by any law, rule or regulation; and (c) lastly, the surplus, if any, to the Borrower.

8.5. Required Notice of Sale. In exercising its rights, powers and remedies as secured party, the Secured Party agrees to give the Borrower five (5) days notice of the time and place of any public sale of Collateral or of the time after which any private sale of Collateral may take place, unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Borrower agrees that such period and notice is commercially reasonable under the circumstances.

8.6. Reserved.

8.7. Additional Remedies Concerning Liquor Licenses. In furtherance and not in limitation of the foregoing, upon the occurrence of an Event of Default, Borrower will continue to maintain, in good standing, any and all Liquor Licenses. Borrower will cooperate with any and all requests of Secured Party, its trustees, its receivers, or otherwise with respect to the issuance of any temporary permits or transfer of the Liquor Licenses whatsoever. In this regard, the Borrower hereby consents to the issuance of any and all temporary permits and to the transfer of any and all such Liquor Licenses to the Secured Party, its duly appointed receivers, trustees, or otherwise. Borrower covenants to take no actions inconsistent with the foregoing.

## ARTICLE IX

### POST-DEFAULT POWER OF ATTORNEY

9. Post-Default Power of Attorney. The Borrower hereby irrevocably constitutes and appoints, effective on and after the occurrence of an Event of Default, the Secured Party acting through any officer or agent thereof, with full power of substitution, as the Borrower's true and lawful attorney-in-fact with full irrevocable power and authority in the Borrower's place and stead and in the Borrower's name or in its own name, from time to time in the Secured Party's discretion, to receive, open and dispose of mail addressed to the Borrower, to take any and all action,



(including the authority to act fully and completely with respect to any and all Liquor Licenses), to do all things, to execute, endorse, deliver and file any and all writings, documents, (including documents of conveyance, transfer or otherwise for Liquor Licenses), instruments, notices, statements (including financing statements, and writings to correct any error or ambiguity in any Loan Document), applications and registrations (including registrations and licenses for securities, Copyrights, Patents and Trademarks), checks, drafts, acceptances, money orders, or other evidence of payment or proceeds, which may be or become necessary or desirable in the sole discretion of the Secured Party to accomplish the terms, purposes and intent of this Security Agreement and the other Loan Documents, including the right to appear in and defend any action or proceeding brought with respect to the Collateral or Property, and to bring any action or proceeding, in the name and on behalf of the Borrower, which the Secured Party, in its discretion, deems necessary or desirable to protect its interest in the Collateral, Liquor License (if any) or Property. Any and all acts done under the foregoing authorization are hereby ratified and approved by Borrower. Said attorney or designee shall not be liable for any acts of commission or omission, nor for any error of judgment or mistake of fact or law, unless and then only to the extent that the same constitutes its gross negligence or willful misconduct. This power is coupled with an interest and is irrevocable. THIS POWER DOES NOT AND SHALL NOT BE CONSTRUED TO AUTHORIZE ANY CONFESSION OF JUDGMENT.

## ARTICLE X

### INDEMNIFICATION

10. Indemnification. The Borrower agrees to indemnify the Secured Party and hold the Secured Party harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Secured Party in any way relating, in any way arising out of or in connection with this Security Agreement, the Loan Documents or the transactions contemplated hereby or thereby. Without limitation of the foregoing, the Borrower will reimburse the Secured Party for all expenses (including expenses for legal services of every kind) of, or incidental to, the negotiation of, entering into and enforcement of any of the provisions hereof and of any of the Obligations, and any actual or attempted sale, lease or other disposition of, and any exchange, enforcement, collection, compromise or settlement of any of the Collateral or the Liquor License (if any), and receipt of the Proceeds thereof, and for the care of the Collateral or the Liquor License (if any) and defending or asserting the rights and claims of the Secured Party in respect thereof, by litigation or otherwise, including expense of insurance, and all such expenses shall be the Borrower's Obligations.

## ARTICLE XI

### OBLIGATIONS ABSOLUTE

11. Obligations Absolute. The Borrower's Obligations will be absolute, unconditional and irrevocable and will be paid or satisfied strictly in accordance with their respective terms under all circumstances whatsoever, including: (a) the invalidity or unenforceability of all or any of, or any part of, this Security Agreement, the Promissory Note or any other Loan Document, or any consent, waiver, amendment or modification thereof; (b) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against the Secured Party, or any other Person, whether in connection with this Security Agreement, any other Loan Documents, the transactions contemplated hereby, thereby or otherwise all of which the Borrower hereby waives to the maximum extent permitted by law; or (c) the loss, theft, damage, destruction or unavailability of the Collateral or the Liquor License (if any) to the Borrower for any reason whatsoever, it being understood and agreed that the Borrower retains all liability and responsibility with respect to the Collateral and the Liquor License (if any).

## ARTICLE XII

### ASSIGNMENT AND DISSEMINATION OF INFORMATION

#### 12. Assignment and Dissemination of Information.

12.1. Assignment. This Security Agreement is freely assignable, in whole or in part, by the Secured Party and, to the extent of any such assignment, the Secured Party shall be fully discharged from all responsibility. The Borrower understands and agrees that the Secured Party intends to and may, from time to time, sell, pledge, grant a security interest in and collaterally assign, transfer and deliver or otherwise encumber or dispose of the Promissory Note, this Security Agreement and the other Loan Documents and its rights and powers hereunder and thereunder, in whole or in part, in connection with the Securitization or any other assignment or other disposition of the Promissory Note. The Borrower may not, in whole or in part, directly or indirectly, assign this Security Agreement or any Loan Document or its rights hereunder or thereunder or delegate its duties hereunder without, in each instance, the specific prior written consent of the Secured Party, which consent may be withheld or delayed in the Secured Party's sole discretion, and payment of the amounts required under and compliance with Section 13(b) of the Promissory Note. For purposes of this Security Agreement and the Promissory Note (including Section 13(b) of the Promissory Note), a change in control of the Borrower (whether by stock sale, issuance or otherwise) shall constitute an assignment hereof.

12.2. Dissemination of Information. If Secured Party determines at any time to sell, transfer or assign the Promissory Note, Security Agreement, or other Loan Documents, and any or all servicing rights with respect thereto, or to otherwise issue a Securitization involving the Loan Documents, Secured Party may forward to each purchaser, transferee, assignee, investor or their perspective successors in such Securitization or any rating agency rating such Securitization and each prospective investor, all documents and information which Secured Party now has or may hereafter acquire relating to the Loan Documents, the Borrower, any Guarantor and the Property, which shall have been furnished by Borrower or any Guarantor, as Secured Party determines necessary or desirable.

## ARTICLE XIII

### FURTHER ASSURANCE

13. Further Assurance. The Borrower agrees at any time and from time to time, at the Borrower's sole cost and expense, to obtain, procure, execute and deliver, file and affix such further agreements, bills of sale and assignments, instruments, documents, warehouse receipts, bills of lading, vouchers, invoices, notices, statements, writings, (including financing statements, and writings to correct any error or ambiguity in any Loan Document), powers (including stock and bond powers, and powers of attorney), tax stamps and information, and to do or cause to be done all such further acts and things (including the execution, delivery and filing of financing statements on Form UCC-1, payment of filing fees and transfer, gains and recording taxes) as the Secured Party may reasonably request, from time to time, in its discretion. Without limiting the foregoing, the Borrower authorizes the Secured Party to the extent permitted under the UCC to execute and file, or file without the Borrower's signature, any and all financing statements, amendments thereto and continuations thereof as the Secured Party deems necessary or appropriate and the Borrower shall pay and indemnify the Secured Party for and hold the Secured Party harmless from any and all costs and expenses in connection therewith. The Borrower agrees that it will promptly notify the Secured Party of and agree to correct any defect, error or omission in the contents of any of the Loan Documents or in the execution, delivery or acknowledgement thereof. The Borrower further agrees to execute, prior to or within three months following closing, a Form 4506 *Request for Copy or Transcript of Tax Form*, which form will be provided by Secured Party.

## ARTICLE XIV

### TERM AND REINSTATEMENT

14. Term and Reinstatement.

14.1. Term. This Security Agreement shall be immediately in full force and effect upon the Borrower's execution below, whether or not it is signed by the Secured Party. Upon indefeasible payment in full of the Obligations in accordance with the terms thereof, this Security Agreement and the security interest granted hereunder shall terminate and the Secured Party, at the Borrower's expense, will execute and deliver to the Borrower the proper instruments (including UCC termination statements) acknowledging the termination of such security interest, and will duly assign, transfer and deliver (without recourse, representation or warranty) such Collateral and Liquor Licenses (as applicable) as may be in the Secured Party's possession, and not to be retained, sold, or otherwise applied or released pursuant to this Security Agreement, to the Borrower, except that the Borrower's obligations under Sections 10, 11, 13 and 15 shall survive indefinitely.

14.2. Reserved.

14.3. Reinstatement. This Security Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Party in respect of the Obligations is rescinded or must otherwise be restored or returned by the Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Principal Party or upon the appointment of any intervenor or conservator of, or trustee or similar official for, the Borrower, any Principal Party or any substantial part of the Borrower's or any Principal Party's assets, or otherwise, all as though such payments had not been made.

ARTICLE XV

MISCELLANEOUS

15. Miscellaneous.

15.1. FINAL AGREEMENT; AMENDMENTS, CONSENTS, AUTHORIZATIONS. THIS SECURITY AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE BORROWER AND THE SECURED PARTY AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE BORROWER AND THE SECURED PARTY. THE BORROWER UNDERSTANDS AND AGREES THAT ORAL AGREEMENTS AND ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE. THE BORROWER ACKNOWLEDGES AND AGREES THERE ARE NO ORAL AGREEMENTS BETWEEN THE BORROWER AND THE SECURED PARTY. This Security Agreement and the Loan Documents represent the entire understanding of the Secured Party and the Borrower with respect to the transactions contemplated hereby and thereby. None of the terms or provisions of this Security Agreement or any other Loan Document may be waived, altered, modified, or amended except in each instance by a specific written instrument duly executed by the Secured Party. Without limiting the foregoing, no action or omission to act shall be deemed to be a consent, authorization, representation or agreement of the Secured Party, under the UCC or otherwise, unless, in each instance, the same is in a specific writing signed by the Secured Party. The inclusion of Proceeds in the Collateral does not and shall not be deemed to authorize the Borrower to sell, exchange or dispose of the Collateral or the Franchise Agreement or otherwise use the Collateral in any manner not otherwise specifically authorized herein.

15.2. Notices. All notices and other communications given pursuant to or in connection with this Security Agreement shall be in duly executed writing delivered to the parties at the addresses set forth below (or such other address as may be provided by one party in a notice to the other party):

If to the Secured Party:

AMRESKO COMMERCIAL FINANCE,  
INC.

If to the Assignee of Secured Party:

WELLS FARGO BANK MINNESOTA, N.A.  
MAC N9311-161

If to the Borrower, to the Borrower's chief executive office (or residence), as represented by the Borrower herein.

Notice delivered in accordance with the foregoing shall be effective (a) when delivered, if delivered personally or by receipted-for telex, telecopier, or facsimile transmission, (b) two (2) days after being delivered in the United States (properly addressed and all fees paid) for overnight delivery service to a courier (such as Federal Express) which regularly provides such service and regularly obtains executed receipts evidencing delivery or (c) five (5) days after being deposited (properly addressed and stamped for first-class delivery) in a daily serviced United States mail box.

15.3. Reasonableness. If at any time the Borrower believes that the Secured Party has not acted reasonably in granting or withholding any approval or consent under the Promissory Note, this Security Agreement, or any other Loan Document or otherwise with respect to the Obligations, as to which approval or consent either the Secured Party has expressly agreed to act reasonably, or absent such agreement, a court of law having jurisdiction over the subject matter would require the Secured Party to act reasonably, then the Borrower's sole remedy shall be to seek injunctive relief or specific performance and no action for monetary damages or punitive damages shall in any event or under any circumstance be maintained by the Borrower against the Secured Party.

15.4. Recovery of Sums Required To Be Paid. The Secured Party shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Obligations as the same become due, without regard to whether or not the balance of the Obligations shall be due, and without prejudice to the right of the Secured Party thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Borrower existing at the time such earlier action was commenced.

15.5. WAIVERS. THE BORROWER HEREBY MAKES AND ACKNOWLEDGES THAT IT MAKES ALL OF THE WAIVERS SET FORTH IN THIS SECURITY AGREEMENT, THE PROMISSORY NOTE AND THE OTHER LOAN DOCUMENTS KNOWINGLY, INTENTIONALLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF SUCH WAIVERS WITH ITS ATTORNEY; THE BORROWER FURTHER ACKNOWLEDGES THAT SUCH WAIVERS ARE A MATERIAL INDUCEMENT TO THE SECURED PARTY TO MAKE THE LOANS TO THE BORROWER AND THAT THE SECURED PARTY WOULD NOT HAVE MADE THE LOANS WITHOUT SUCH WAIVERS; AND THE BORROWER HEREBY MAKES AND ACKNOWLEDGES THAT IT MAKES SUCH WAIVERS WITH RESPECT TO EACH OTHER LOAN IN THE PROGRAM.

15.6. WAIVER OF TRIAL BY JURY. THE BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, AND THE SECURED PARTY BY ITS ACCEPTANCE OF THE PROMISSORY NOTE AND THIS SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS IRREVOCABLY AND UNCONDITIONALLY WAIVES, ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THE PROMISSORY NOTE, THIS SECURITY AGREEMENT, OR ANY OTHER LOAN DOCUMENT OR THE OBLIGATIONS.

15.7. Relationship. The relationship of the Secured Party to the Borrower hereunder is strictly and solely that of secured lender on the one hand and borrower and guarantor on the other and nothing contained in the Promissory Note, this Security Agreement or any other Loan Document or otherwise in connection with the Obligations is intended to create, or shall in any event or under any circumstance be construed as creating, a partnership, joint venture, tenancy-in-common, joint tenancy or other relationship of any nature whatsoever between the Secured Party and the Borrower other than as secured lender on the one hand and borrower and guarantor on the other.

15.8. Time is of the Essence. For all payments to be made and all obligations to be performed under the Loan Documents, time is of the essence.

15.9. Governing Law; Binding Effect. THIS SECURITY AGREEMENT AND ALL LOAN DOCUMENTS ARE ENTERED INTO IN THE STATE OF IDAHO, SECURED PARTY'S CHIEF EXECUTIVE OFFICE AND PRINCIPAL PLACE OF BUSINESS IS LOCATED IN THE STATE OF IDAHO, ALL NOTICES RELATING TO THIS SECURITY AGREEMENT WILL BE SENT TO THE SECURED PARTY IN THE STATE OF IDAHO AND ALL SUMS PAYABLE UNDER THE LOAN DOCUMENTS WILL BE SENT TO THE SECURED PARTY IN THE STATE OF IDAHO UNLESS OTHERWISE DIRECTED BY SECURED PARTY. BORROWER AND SECURED PARTY AGREE THAT THE VALIDITY, ENFORCEABILITY, CONSTRUCTION AND INTERPRETATION OF THIS SECURITY AGREEMENT, AND OF ALL TRANSACTIONS AND DOCUMENTS UNDER OR RELATING TO IT, WILL BE CONSTRUED, APPLIED, ENFORCED AND GOVERNED UNDER THE LAWS OF THE STATE OF IDAHO (WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW), PROVIDED HOWEVER, THAT WITH RESPECT TO THE CREATION, ATTACHMENT, PERFECTION, PRIORITY AND ENFORCEMENT OF ANY LIENS CREATED BY THIS SECURITY AGREEMENT, THE LAWS OF THE STATE WHERE THE APPLICABLE PROPERTY IS LOCATED SHALL APPLY. This Security Agreement shall be binding upon the Borrower, and the heirs, devisees, administrators, executives, personal representatives, successors, receivers, trustees, and (without limiting Section 12 hereof) assignees, including all successors in interest of the Borrower in and to all or any part of the Collateral and the Liquor Licenses (if any), and shall inure to the benefit of the Secured Party, and the successors and assignees of the Secured Party.

15.10. Severability. Whenever possible this Security Agreement, the Promissory Note and each Loan Document and each provision hereof and thereof shall be interpreted in such manner as to be effective, valid and enforceable under applicable law. If and to the extent that any such provision shall be held invalid and unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof or thereof, and any determination that the application of any provision hereof or thereof to any person or under any circumstance is illegal and unenforceable shall not affect the legality, validity and enforceability of such provision as it may be applied to any other person or in any other circumstance.

15.11. Headings Descriptive. The headings, titles and captions used herein are for convenience only and shall not affect the construction of this Security Agreement or any term or provision hereof.

15.12. Counterparts. This Security Agreement may be executed in a number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same agreement.

15.13. Acknowledgement. Borrower acknowledges that Secured Party's underwriting guidelines and standards are applied on a case by case basis and that waivers may be granted in any particular case (including in the case of any other Program Borrower to be included in the Program with Borrower). Borrower further acknowledges that Secured Party's underwriting guidelines or standards may be modified at any time by Secured Party without notice to Borrower.

15.14. Attorneys Fees and Costs. Borrower agrees that upon the occurrence of an Event of Default, the Borrower shall pay all costs and expenses actually incurred by Secured Party (including without limitation attorney's fees and disbursements) incident to the enforcement, collection, protection or preservation of any right or claim of Secured Party under the Loan Documents, including any such fees or costs incurred in connection with any bankruptcy or insolvency proceeding of Borrower.

15.15. Loan Pool Flexibility. Secured Party shall have the right, at its sole and absolute discretion upon written notice to Borrower, to transfer (a "Transfer"), within eighteen (18) months from the effective date of this Security Agreement, all or any of the Loans and all Liens related to such Loans, from the Program to any other loan program formed by Secured Party. Upon the occurrence of a Transfer, the Loan Documents shall be automatically amended and reclassified

to reflect the Transfer. Borrower shall execute all amendments or other documents Secured party deems necessary to effectuate a Transfer.

15.16. Public Announcement. Upon the closing of the Loans, Secured Party is authorized in its discretion to issue news releases and at its own expense to publish "tombstone ads" and other announcements in newspapers, trade journals and other appropriate media, containing information about the Loans as may be deemed noteworthy by Secured Party, including without limitation the legal and trade name of Borrower, the amount of the Loan and the name, nature and location of the Collateral.

15.17. Jurisdiction and Venue. The Borrower irrevocably (a) agrees that any suit, action or other legal proceeding arising out of or relating to the Loans, this Security Agreement, or the Loan Documents (including any amendments or modifications thereto), may be brought in a court of record in the State of Idaho or in the courts of the United States of America located in such state, (b) consents to the jurisdiction of each such court in any such suit, action or proceeding, and (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum.

15.18. Credit Reports. Borrower hereby authorizes the Secured Party to obtain credit reports on the Borrower at any time until such time as the Obligations have been indefeasibly paid or satisfied in full.

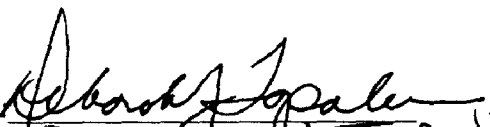
The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF, the Borrower has executed and entered into this Security Agreement and delivered it to the Secured Party on and as of the date set forth below. This document is executed under seal and intended to take effect as a sealed instrument.


Date: October 12, 2000

ATTEST:

Famous American Barbecue, LLC  
a Colorado limited liability company

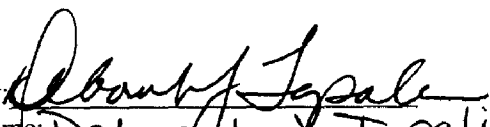
By:   
Name: Deborah J. Topalian  
Title: Assistant to Pres.

By: Restaurant Investors Management III Corp.,  
a Colorado corporation, As Company Manager

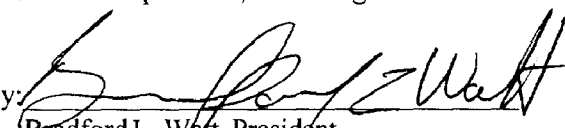
By:   
Bradford L. Watt, President

ATTEST:

Bennett's Management Services Company, LLC  
a Colorado limited liability company

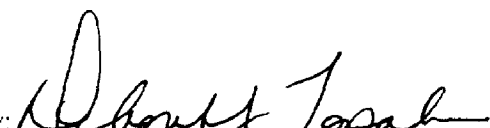
By:   
Name: Deborah J. Topalian  
Title: Assistant to Pres.


By: Great American Restaurant Properties, Inc.  
a Colorado corporation, As Manager

By:   
Bradford L. Watt, President

ATTEST:


FAB Restaurant Licensing Corp.  
a Colorado corporation

By:   
Name: Deborah J. Topalian  
Title: Assistant to Pres.

By:   
Bradford L. Watt, President

SECURED PARTY:

AMRESKO COMMERCIAL FINANCE, INC.

By:   
Dale Conder  
Vice President

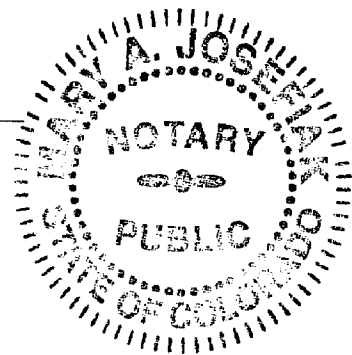
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF El Paso )

On this 10<sup>th</sup> day of October, 2000, before me, a Notary Public, personally appeared Bradford L. Watt, known or identified to me (or proved to me on the oath of \_\_\_\_\_ to be the President of Restaurant Investors Management III Corp., a Colorado corporation, As Company Manager of Famous American Barbecue, LLC, a Colorado limited liability company, the limited liability company that executed the instrument, or the person who executed the instrument on behalf of said liability company, and acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Mary A. Josephik  
Notary Public



My commission expires:

12-31-00

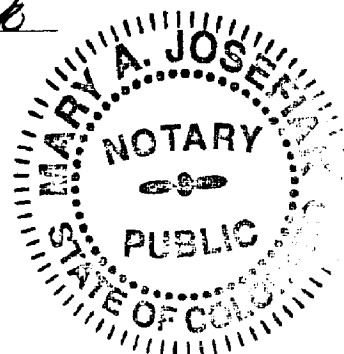
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF El Paso )

On this 10<sup>th</sup> day of October, 2000, before me, a Notary Public, personally appeared Bradford L. Watt, known or identified to me (or proved to me on the oath of \_\_\_\_\_ to be the President of Great American Restaurant Properties, Inc., a Colorado corporation, As Manager of Bennett's Management Services Company, LLC, a Colorado limited liability company, the limited liability company that executed the instrument, or the person who executed the instrument on behalf of said liability company, and acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Mary A. Josephik  
Notary Public



My commission expires:

12-31-00



CORPORATE ACKNOWLEDGEMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF El Paso )

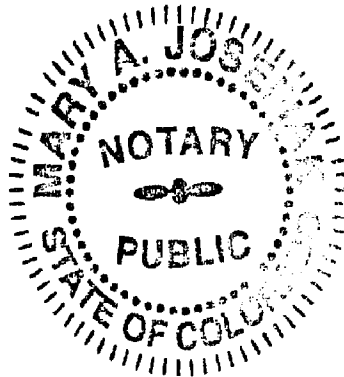
On the 10 day of October, 2000, before me a Notary Public personally appeared Bradford L. Watt, to me known to be the person named in and who executed the foregoing instrument, who, being duly sworn, did depose and say that he resides at \_\_\_\_\_ that he is the President of FAB Restaurant Licensing Corp., a Colorado corporation, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by authority of the board of directors of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal of office this 10<sup>th</sup> day of October, 2000.

*Mary A. Josephak*  
Notary Public

My commission expires:

12-31-00



**SCHEDULE 1**

**A. Borrower Information**

If an individual, the Borrower's residence address:

Street:  
City:  
County:  
State:  
Zip:

The Borrower's mailing address: 755 Hwy 105, Suite B, Palmer Lake, CO 80133

The Borrower's facsimile number: (719) 481-8526

The Borrower's legal name: Famous American Barbecue, LLC and  
Bennett's Management Services Company, LLC  
FAB Restaurant Licensing Corp.

The Borrower's chief executive office: 755 Hwy 105, Suite B, Palmer Lake, CO 80133

The Borrower's principal place of business: 755 Hwy 105, Suite B, Palmer Lake, CO 80133

The Borrower's state of organization: Colorado

The Borrower's federal tax payor number: 94-3362360  
94-3372764  
84-1558752

The Borrower's trade name: Bennett's Bar-B-Que Restaurant

**SCHEDULE 1**

**B. Pledged Store Information**  
**(Arapahoe)**

Property owned by : Pine Knoll Corporation

Property leased [subleased] by : Famous American Barbecue, LLC and FAB Restaurant Licensing Corp.

Street Address, County and State : 6730 South Lima Street, Englewood, CO

**Legal Description of Property:**

**That Lease dated January 1, 2000 and all amendments thereto, between Pine Knoll Corporation, as Landlord, and Famous American Barbecue, LLC, as Successor Tenant and that Sublease dated October 19, 2000, and all amendments thereto, between Famous American Barbecue, LLC, as Sublessor and FAB Restaurant Licensing Corp., as Sublessee and that Personal Property Lease Agreement dated October 19, 2000 between Famous American Barbecue, LLC, as Lessor and FAB Restaurant Licensing Corp., as Lessee, doing business as a Bennett's Bar-B-Que Restaurant, which covers a portion of the following real property:**

**Lot 1, Pine Knoll Subdivision, County of Arapahoe, State of Colorado.**

**6730 South Lima Street  
Englewood, Colorado**

**Unit: Arapahoe**

**Record Owner: Pine Knoll Corporation**

SCHEDULE 1

**B. Pledged Store Information**  
(Arvada)

Property owned by : CIN Arvada, L.P.  
Property leased [subleased] by : Famous American Barbecue, LLC and FAB Restaurant Licensing Corp.  
Street Address, County and State : 7490 W. 52<sup>nd</sup> Avenue, Arvada, CO

**Legal Description of Property:**

**That Lease dated November 21, 1986, and all amendments thereto, between CIN Arvada, L.P., as Successor Landlord and Famous American Barbecue, LLC, as Successor Tenant, and that Sublease dated October 19, 2000, and all amendments thereto, between Famous American Barbecue, LLC, as Sublessor and FAB Restaurant Licensing Corp., as Sublessee and that Personal Property Lease Agreement dated October 19, 2000 between Famous American Barbecue, LLC, as Lessor and FAB Restaurant Licensing Corp., as Lessee, doing business as a Bennett's Bar-B-Que Restaurant, which covers a portion of the following real property:**

**Lot 1, Block 1, Arvada Marketplace Filing No. 1 – Amended, County of Jefferson, State of Colorado.**

**7490 West 52<sup>nd</sup> Avenue  
Arvada, Colorado**

**Unit: Arvada**

**Record Owner: CIN Arvada, L.P.**

**SCHEDULE 1**

**B. Pledged Store Information**  
(Colorado Springs)

Property owned by : Famous American Barbecue, LLC  
Property leased [subleased] by : FAB Restaurant Licensing Corp.  
Street Address, County and State : 5245 N. Academy Boulevard, Colorado Springs, Colorado

**Legal Description of Property:**

**That Lease dated October 19, 2000, and all amendments thereto, between Famous American Barbecue, LLC, as Landlord and FAB Restaurant Licensing Corp., as Tenant and that Personal Property Lease Agreement dated October 19, 2000 between Famous American Barbecue, LLC, as Lessor and FAB Restaurant Licensing Corp., as Lessee, doing business as a Bennett's Bar-B-Que Restaurant, which covers a portion of the following real property:**

**Lot 4, Plum Tree Center Filing No. 2 as set forth on Map recorded June 11, 1985 in Plat Book Y-3 Page 96; Ratification recorded October 11, 1985 in Book 5074, Page 1040, City of Colorado Springs, County of El Paso, State of Colorado.**

**5245 N. Academy Boulevard  
Colorado Springs, Colorado**

**Record Owner: Famous American Barbecue, LLC**

SCHEDULE 1

**B. Pledged Store Information**

(Sandy)

Property owned by : Macerich South Towne Limited Partnership

Property leased [subleased] by : Famous American Barbecue, LLC and FAB Restaurant Licensing Corp.

Street Address, County and State : 200 West 10600 South, Sandy, Utah

**Legal Description of Property:**

**That Lease dated August 26, 1986, and all amendments thereto, between Macerich South Towne Limited Partnership, as Successor Landlord, Famous American Barbecue, LLC, as Successor Tenant and FAB Restaurant Licensing Corp. as Successor Subtenant doing business as a Bennett's Bar-B-Que Restaurant, which covers a portion of the following real property:**

**Beginning at a point on the West line of State Street (51.0 feet from monument line) North 89° 50' 56" East 41.33 feet from the Northeast corner of Section 13, Township 3 South, Range 1 West, Salt Lake Base and Meridian (Basis of Bearing being South 00° 01' 50" East along the State Street monument line between the monuments opposite the Northeast corner and the East quarter corner of said Section 13); thence along the West Street line South 00° 01' 50" East 583.17 feet and South 00° 50' 43" East 70.31 feet to a point 50.0 feet from the monument line; thence along said West Street line South 00° 01' 50" East 89.93 feet; thence South 89° 58' 10" West 6.5 feet; thence South 00° 01' 50" East 1,242.98 feet to the North line of A.P. Stevens property, recorded as Entry No. 1619249 on Page 97 in Book 1556 of Deeds in Salt Lake County Recorder's office; thence along said property line, South 89° 30' 10" West 89.53 feet, South 70° 00' 10" West 35.00 feet, South 89° 05' 10" West 204.06 feet, South 00° 01' 50" East 63.87 feet and North 89° 01' 10" East 326.50 feet; thence along the new right of way South 00° 01' 50" East 444.47 feet; South 89° 58' 10" West 6.50 feet; South 00° 01' 43" East 10.82 feet to the North line of Parcel "A" as shown on the Survey Map by Robert R. Goff dated August 24, 1985, for Goff Enterprises, Draper, Utah; thence South 45° 11' 14" West 28.40 feet; thence along the North line of said Parcel "A" for the next four courses North 89° 35' West 5.42 feet to a point of tangency with a 7,610 foot radius curve, the center of which bears North 00° 25' East and along said curve to the right, through a central angle of 02° 51' 49" a distance of 380.34 feet to a point of reverse curve with a radius of 7735.00 feet, the center of which bears South 03° 16' 49" West, and along said curve to the left through a central angle of 02° 51' 49" a distance of 386.39 feet and North 89° 35' West for a distance of 215.84 feet; thence North 76° 40' 15" West 153.77 feet to an iron rod shown on the C. J. Schuchert survey for Engineering Consortium, SLC; thence North 76° 58' 27" West 37.64 feet to a point that is 120 feet perpendicularly distant Northerly from the surveyed State Road Commission (SRC) Engineer's centerline Station 9+05.86 of State Highway Project 15.7, said point being the end of the Non-Access line**

of said project; thence along the highway right of way and non-access line of said project the next 5 courses (bearings rotated to agree with Basis of bearing); North 89° 35' West 198.00 feet to a point of tangency with a 205.63 foot radius curve (SRC = 206.69) the center of which bears North 00° 25' East, and along said curve to the right through a central angle of 58° 26' 36" a distance of 209.75 (SRC = 210.15) and continuing North 34° 54' 34" West 420.27 feet to a point on the arc of a 1,740.95 foot radius curve, the center of which bears North 57° 49' 06" East, said point being 65 feet perpendicularly distant Northeasterly from Engineer's Station 57 + 61.83 for the centerline of Ramp "C" of said highway project and continuing Northwesterly along said curve to the right through a central angle of 24° 10' 17" a distance of 734.41 feet to a point 65 feet radially distant Northeasterly from Engineer's Station 50 + 00 for Ramp "C" (said point also being 145 feet radially distant Northeasterly from 1.15 centerline Station 970 + 00), and continuing North 07° 18' 09" West 1,353.04 feet to a point on the North line of said Section 13 (North 89° 49' 53" West 2,198.92 feet from the Northeast corner of said Section 13); thence South 89° 49' 53" East 63.36 feet to a point on the arc of a 34,179.5 foot radius curve, the center of which bears North 84° 14' 35.33" East; thence Southeasterly along said curve to the left through a central angle of 00° 15' 12.33" a distance of 151.18 feet to a point that is 198.0 feet radially distant Northeasterly from 1-15 centerline Station 958 + 00; thence South 07° 18' 09" East 307.23 feet; thence parallel with the North line of said Section 13, South 89° 49' 53" East 760.73 feet to a fence line; thence along said fence line North 440.75 feet and North 00° 14' 12" East 266.87 feet to the Southerly bank of a concrete ditch; thence along said ditch bank South 38° 15' 44" East 285.02 feet; South 88° 11' 28" East 304.00 feet; South 87° 44' 56" East 234.00 feet and South 87° 52' 13" East 210.75 feet to the Southeasterly bank of said concrete ditch; thence along said Southeasterly ditch bank North 45° 12' 49" East 459.53 feet to the West line of State Street (51.0 feet from the monument line); thence along said Street line South 00° 07' 35" East 544.89 feet to the point of beginning.

Less the property contained within the Salt Lake Canal according to deeds or an unwritten prescriptive easement 33 feet each side of the center of said Canal, whichever is greater.

Also less the property conveyed to Sandy City by deed recorded June 6, 1986 as Entry No. 4257245 in Book 5775 at Page 2179 of Official Records.

200 West 10600 South  
Sandy, Utah

Unit: Sandy

Record Owner: Macerich South Towne Limited Partnership

**SCHEDULE 2**

**UCC Filing Locations**

<b><u>State Located</u></b>	<b><u>State of Principal Business</u></b>	<b><u>State of Incorporation</u></b>	<b><u>City</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Colorado	Colorado	Colorado	Palmer Lake	El Paso	CO
			Englewood	Arapahoe	CO
			Arvada	Jefferson	CO
SOS, CO					
SOS, UT			Sandy	Salt Lake	UT



**SCHEDULE 3**

**List of Borrower's Affiliates**

**List all Borrower's Affiliates who have executed loan documents to the Secured Party.**

<b><u>Name of Affiliate</u></b>	<b><u>Address</u></b>	<b><u>Relationship to Borrower</u></b>
Restaurant Investors Management III Corp.	755 Hwy 105, Suite B, Palmer Lake, CO 80133	Affiliate is Company Manager of Famous American Barbecue, LLC
Great American Restaurant Properties, Inc.	755 Hwy 105, Suite B, Palmer Lake, CO 80133	Affiliate is Manager of Bennett's Management Services Company, LLC

**SCHEDULE 4**

**Liquor Licenses**

<b>Licensee</b>	<b>Unit Address</b>	<b>License No.</b>	<b>Type of Permit and Issuing Entity</b>	<b>Expiration</b>
Bennett's Bar-B-Que Inc. Bennetts Pit Bar B Q	7490 W 52 <sup>nd</sup> Avenue Arvada, CO 80002-3710	Account Number 21-55332-0003  Liability Information 11 004 005813 C 070287	State of Colorado Department of Revenue Liquor Enforcement Division Alcohol Beverage License Hotel and Restaurant Liquor License – Malt, Vinous, and Spirituous	July 1, 2001 ***
Bennett's Bar-B-Que Inc. Bennetts Pit Bar B Que	6730 S. Lima Street Englewood, CO 80112	Account Number 21-55332-0002  Liability Information 10 206 005813 C 091786	State of Colorado Department of Revenue Liquor Enforcement Division Alcohol Beverage License Hotel and Restaurant Liquor License – Malt, Vinous, and Spirituous	September 16, 2000 ***
Bennett's Bar-B-Que, Inc. d/b/a Bennett's Pit Bar-B-Que	6730 S. Lima Street Englewood, CO 80012	Account Number	State of Colorado County of Arapahoe Retail Liquor License Hotel/Restaurant Malt, Vinous and Spirituous Liquor	September 16, 2000 ***
Bennett's Bar-B-Que Inc. Bennetts Pit Bar B Que	5245 N. Academy Blvd. Colorado Springs, CO	Account Number 21-55332-0009  Liability Information 04 017 005813 C 090994	State of Colorado Department of Revenue Liquor Enforcement Division Alcohol Beverage License Hotel and Restaurant Liquor License – Malt, Vinous, and Spirituous	September 8, 2000 ***

\*\*\* As of the Closing Date, application has been filed to obtain a new liquor license in the name of FAB Restaurant Licensing Corp., which new liquor license shall be subject to this Pledge & Security Agreement.

**SCHEDULE 5**

**Trademarks, Patents and Copyrights**

**Trademarks**

<b><u>Registration Number</u></b>	<b><u>Date of Registration</u></b>	<b><u>Expires</u></b>
No. 2230967 Serial No. 75/510060 (in connection with the above)	March 9, 1999	March 9, 2009
No. 1667904	December 10, 1991	December 10, 2001
No. 1967354	April 9, 1996	April 9, 2006

Exhibit A

LIEN LIST

<u>Secured Party/ (Plaintiff):</u>	<u>Filing Location:</u>	<u>Filing Number:</u>	<u>Collateral</u>	
Apex Sports, Inc.	CO-Central Index	99040667	99 Yamaha	None; Not ACFI's Borrower or Collateral
The Pueblo Bank & Trust Company	CO-Central Index	19972108340	Acct's payable, gen' intangibles	None; Not ACFI's Borrower or Collateral
Ecolab, Inc.	CO-Central Index	19982076846	Dishmachine Lease	Permitted encumbrance
Ecolab, Inc.	CO-Central Index	19972095741	Dishmachine Lease	Permitted encumbrance
Ecolab, Inc.	CO-Central Index	952071198	Dishmachine Lease	Permitted encumbrance
Hobart Corporation	CO-Central Index	19972097308	1 HCM450 used cutter/mixer	None; Franchised site at Grand Junction, CO
Sysco Intermountain Foods	CO-Central Index	19982011725	Charbroiler	None; Franchised site at Grand Junction, CO
AMRESCO Commercial Finance, Inc.	CO-Central Index	19992051328	Peoria Collateral	ACFI collateral: Assumption needed
Citywide Bank Denver	CO-Central Index	C301731 Continuation A7054195	Equipment/ fixtures	Termination obtained
Citywide Bank Denver	CO-Central Index	A7009068 Amendment	Equipment/ fixtures	Termination obtained
Citywide Bank Denver	CO-Central Index	A7009069 Refiling/ Continuation	Equipment/ fixtures	Termination obtained
Citywide Bank Denver	CO-Central Index	388872 Continuation A7009067	Equipment/ fixtures	ACFI collateral (Arapahoe) Borrower to obtain termination
Citywide Bank Denver	CO-Central Index	A7009066 Amendment	Equipment/ fixtures	ACFI collateral (Arvada) Borrower

				to obtain termination
Citywide Bank Denver	CO-Central Index	A7009073 Refiling of U0009712	Equipment/ fixtures	Termination obtained
Citywide Bank Denver	CO-Central Index	A7009072 Amendment	Equipment/ fixtures	Termination obtained
Citywide Bank Denver	CO-Central Index	19942052037	FF&E	None; Colorado Springs location
Citywide Bank Denver	CO-Central Index	A7054194	Equipment/ fixtures	None; Colorado Springs location
Citywide Bank Denver	CO-Central Index	64179	Equipment/ fixtures	None; Colorado Springs location
Citywide Bank Denver	CO-Central Index	19872982743	Equipment/ fixtures	Terminated 9/5/00 Termination No. 2000F012284
Citywide Bank Denver	CO-Central Index	912094403 continuation	Equipment/ fixtures	Terminated 9/5/00 Termination No. 2000F012284
Citywide Bank Denver	CO-Central Index	A7009070 Amendment	Equipment/ fixtures	Terminated 9/5/00 Termination No. 2000F012284
Citywide Bank Denver	CO-Central Index	A7009071 Continuation	Equipment/ fixtures	Terminated 9/5/00 Termination No. 2000F012284
Mtn. States Commer. Coll., Inc./Sysco Corporation	El Paso County, CO	97019134	Judgement of franchisee Shel Whit, Inc.	No action; Not ACFI borrower or Seller
Citywide Bank of Denver	Arapahoe County, CO	A7044651	Fixture filing	Termination Obtained
Amresco Commercial Finance, Inc.	Denver County, CO	9900161367	Peoria collateral	Assumption needed; ACFI collateral at Peoria
C and J Leasing Corp. Assigned to First Trust National Association as Trustee	SOS-UT	447134	#SMB48 ceramic broiler/4 drawer refrigerated equip. stand	Termination sent for filing; RECORDED copy to be received POST-CLOSING

<b>C and J Leasing Corp. Assigned to First Trust National Association as Trustee</b>	<b>SOS-UT</b>	<b>438752</b>	<b>Panasonic POS System</b>	<b>Termination sent for filing; RECORDED copy to be received POST-CLOSING</b>
<b>Zions First National Bank</b>	<b>SOS-UT</b>	<b>226874</b>	<b>Equipment, proceeds accounts</b>	<b>No Action; Not ACFI's collateral or Borrower</b>
<b>Small Business Administration</b>	<b>SOS-UT</b>	<b>4947547</b>	<b>Fixture filing</b>	<b>No Action; Not ACFI's collateral or Borrower</b>
<b>Amresco Commercial Finance, Inc.</b>	<b>SOS-FL</b>	<b>990000210697</b>	<b>Peoria collateral</b>	<b>ACFI collateral: Assumption needed</b>

**Exhibit B**

**Permitted Liens**

[Subject to approval of the Secured Party]

<b><u>Name of Secured Party or Lienor</u></b>	<b><u>\$ Amount</u></b>	<b><u>Collateral or Property Encumbered</u></b>
SBA	\$5,833/\$636,995	Colorado Springs Land & Building
SBA	\$3,710/\$364,648	Colorado Springs
SBA	\$3,622/\$275,899	Peoria unit
ACFI	\$24,541/\$2,331,276	Peoria unit

Exhibit C

**Form of  
Compliance Certificate**

AMRESKO Commercial Finance, Inc.  
412 E. Parkcenter Blvd.  
Suite 300  
Boise, Idaho 83706

Re: Pledge and Security Agreement, dated October 12, 2000, by the  
Borrower in favor of AMRESKO Commercial Finance, Inc. (the  
"Security Agreement").

The Borrower hereby certifies to the Secured Party (as defined in the Security Agreement) that (i) all representations and warranties made by the Borrower in the Security Agreement, as of the date hereof, are true and correct in all material respects as if made on the date hereof; (ii) the Borrower has performed all of its covenants and other Obligations (as defined in the Security Agreement) required to be performed under the Loan Documents (as defined in the Security Agreement) as of the date hereof; (iii) no Event of Default (as defined in the Security Agreement) has occurred and the Borrower has no reason to believe that an Event of Default will occur any time in the six-month period following the date hereof; (iv) all information provided regarding year-to-date sales of each Pledged Store and each Franchised Restaurant, as indicated below, is true, complete and correct; (v) all information provided regarding year-to-date royalties, franchise fees, advertising fees, marketing funds and all other payments received from each franchisee of Borrower, as indicated below, is true complete and correct; (vi) all information, reports, statements and financial and other data furnished by the Borrower to the Secured Party, its agents or representatives in connection with the Borrower's Loans and secured Obligations were, on the date so furnished, and are true, complete and correct.

IN WITNESS WHEREOF, the undersigned has caused this Compliance Certificate to be executed and delivered for and on behalf of the Borrower, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Famous American Barbecue, LLC,  
a Colorado limited liability company

Bennett's Management Services Company, LLC  
a Colorado limited liability company

By: Restaurant Investors Management III Corp.,  
a Colorado corporation, as Company Manager

By: Great American Restaurant Properties, Inc.  
a Colorado corporation, as Manager

By: \_\_\_\_\_  
Bradford L. Watt, President

By: \_\_\_\_\_  
Bradford L. Watt, President

FAB Restaurant Licensing Corp.  
a Colorado corporation

By: \_\_\_\_\_  
Bradford L. Watt, President



Pledged Store/Franchised Restaurant	Year-To-Date Sales

Franchisee	royalties	franchise fees	advertising fees	marketing funds	Other payments