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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings ⇨ ⇨ ⇨ ▼ ▼ ▼		U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office	
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.			
1. Name of conveying party(ies): Clever Ideas, Inc. 1-28-04 <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other _____ Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No		2. Name and address of receiving party(ies) Name: MB Financial Bank, N.A. Internal _____ Address: _____ Street Address: 1200 N. Ashland Ave. City: Chicago State: IL Zip: 60606 <input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input type="checkbox"/> Corporation-State _____ <input checked="" type="checkbox"/> Other National Banking Association <small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</small>	
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____ Execution Date: January 21, 2004			
4. Application number(s) or registration number(s): A. Trademark Application No.(s) 76453058 76453167 Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		B. Trademark Registration No.(s) 1526094 2790799 2647253 2533049	
5. Name and address of party to whom correspondence concerning document should be mailed: Name: Lisa A. Lowe c/o Levin Ginsburg Internal Address: Suite 3200 Street Address: 180 N. LaSalle Street City: Chicago State: IL Zip: 60601		6. Total number of applications and registrations involved: 6 7. Total fee (37 CFR 3.41): \$ 165.00 <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: _____ (Attach duplicate copy of this page if paying by deposit account)	
DO NOT USE THIS SPACE			
9. 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. Lisa A. Lowe Name of Person Signing <i>Lisa A. Lowe</i> Signature January 21, 2004 Date			
Total number of pages including cover sheet, attachments, and document: <input type="checkbox"/>			

01/29/2004 LMUELLER 0000020A 76453058

01 FC:8521
02 FC:852240.00 OP
125.00 OPMail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

LOAN AND SECURITY AGREEMENT

DATED AS OF JANUARY 20, 2004

AND

EFFECTIVE AS OF JANUARY 21, 2004

BETWEEN

CLEVER IDEAS, INC.,

AS BORROWER

AND

MB FINANCIAL BANK N.A.,

AS LENDER

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LOAN AND SECURITY AGREEMENT

This Agreement, dated as of January 20, 2004, and effective as of January 21, 2004, is made by and between Clever Ideas, Inc., an Illinois corporation, as "Borrower" and MB Financial Bank N.A., as "Lender" or "Issuing Bank", being the parties to this Agreement. The parties hereto agree as follows:

WITNESSETH:

WHEREAS, the Borrower desires to obtain up to Seven Million Five Hundred Thousand and No/100 Dollars (\$7,500,000) of loans and letters of credit from the Lender and the Issuing Bank, and the Lender and the Issuing Bank are willing to make certain loans and to extend credit to the Borrower of up to such amount upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, and of any loans or extensions of credit heretofore, now or hereafter made to or for the benefit of the borrower by the Lenders and the Issuing Bank, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings respectively ascribed to them. The following defined terms shall be equally applicable to both the singular and plural forms. The term "or" shall not be exclusive; and the term "including" (or any form thereof) shall not be limiting or exclusive. The words "herein," "hereunder," and "hereof" or other words of similar import refer to this Agreement as a whole, including the exhibits and schedules to this Agreement, as the same may from time to time be amended, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement. The term "knowledge" shall mean information actually known to such Person; the term "knowledge" with respect to the Borrower or any of its Subsidiaries shall mean information actually known to any of Borrower's Executive Officers.

- 1.1. "Accounts" means all "accounts" as such term is defined in the UCC, whether now owned or hereafter acquired by Borrower or any of its Affiliates, including all accounts receivable, Restaurant Receivables, other receivables, book debts and other forms of obligations, whether arising out of goods sold or services rendered or from any other transaction (including any such obligations which may be characterized as an account or contract right under the UCC); (ii) all rights in, to and under all purchase orders or receipts for goods or services; (iii) all rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (iv) all moneys due or to become due under all purchase orders and contracts for the sale of

goods or the performance of services or in connection with any other transaction (whether or not yet earned by performance on the part of Borrower or any of its Affiliates), including the right to receive the proceeds of said purchase orders and contracts; and (v) all collateral security and guarantees of any kind given by any other Person with respect to any of the foregoing.

- 1.2. "Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (a) acquires any going business, any line of business, or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, or any other Person, whether through purchase of assets, merger or otherwise; or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) a five percent (5%) or more interest of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or the outstanding ownership interests of a partnership or limited liability company.
- 1.3. "Adjusted Tangible Net Worth" means, at any time, the sum of Net Worth plus Subordinated Debt and the liability resulting from outside parties' equity interest in Borrower's Subsidiaries, which is described as "Minority Interest" in the liability section of Borrower's balance sheet, less the sum of (a) the aggregate book value of all Intangible Assets, including, consumer lists, goodwill, computer software, copyrights, trade names, trade marks, patents, unamortized deferred charges, unamortized debt discount and capitalized research and development costs, prepaid expenses and leasehold improvements; and (b) loans to any Affiliate or any stockholder, director, member, manager or employee of Borrower or any of its Affiliates.
- 1.4. "Advance" means a borrowing hereunder pursuant to Article II hereof.
- 1.5. "Affiliate" of any Person means (a) any other Person directly or indirectly controlling, controlled by or under common control with such Person or any Subsidiary of such Person, and (b) any officer, director or manager of such Person or its Affiliate. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.
- 1.6. "Agreement" means this Loan and Security Agreement, all appendices, exhibits or schedules attached or otherwise identified thereto, as it may be amended or modified and in effect from time to time.
- 1.7. "Article" means an Article of this Agreement unless another document is specifically referenced.

- 1.8. "Authorized Officer" means any of the President, Chief Executive Officer, Chief Operating Officer or Chief Financial Officer (or such other authorized Person as Borrower directs, by written notice to Lender from time to time) of the Borrower, acting singly.
- 1.9. "Availability" means, at any time, (a) the lesser of (i) the Commitment Amount or (ii) the Borrowing Base, less (b) Revolving Outstandings.
- 1.10. "Borrower" means Clever Ideas, Inc., an Illinois corporation, which currently has its principal place of business at 180 N. Stetson, Chicago, Illinois 60601, and its successors and assigns.
- 1.11. "Borrowing Base" means an amount equal to the lesser of:
- 1.11.1. (a) (i) the aggregate unpaid principal amounts of the Restaurant Receivables, less (ii) the aggregate amount of all reserves established from time to time by Borrower in the normal course of its business with respect to all Restaurant Receivables, less (iii) any Restaurant Receivables that are not Eligible Receivables, multiplied by (b) up to seventy five percent (75%) of the value, as determined by Lender in its sole discretion from time to time, of the amount calculated pursuant to the preceding clause (a); or
 - 1.11.2. four (4) times Monthly Collections measured on a trailing three calendar month moving average;
- less any minimum Availability requirements imposed by Lender in its sole discretion from time to time.
- 1.12. "Borrowing Base Certificate" means a certificate signed by the Chief Financial Officer of the Borrower, or other Authorized Officer, showing the computation of the Borrowing Base in the form of Exhibit 1.12, with appropriate insertions.
- 1.13. "Borrowing Date" means the date on which any Advance is made hereunder.
- 1.14. "Borrowing Notice" means the notice provided pursuant to Section 2.8.
- 1.15. "Business Day" means a day (other than a Saturday or Sunday) on which national banks generally are open in Chicago for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.
- 1.16. "CAP Report Finance Reports" means the financial reports of Borrower in substantially the form of Exhibit 1.16, reflecting, among other things, the identity,

principal loan amount, writeoffs, rights to receive, average collections and type of payment of the Restaurant Receivables.

- 1.17. "Capital Expenditures" means, without duplication, any expenditures for any purchase or other acquisition of any asset which should be classified as a fixed or capital asset on a balance sheet of the Borrower prepared in accordance with GAAP.
- 1.18. "Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.
- 1.19. "Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which should be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.
- 1.20. "Cash Collateralize" means to deliver cash to the Lender, to be held as cash collateral for outstanding Letters of Credit, pursuant to documentation satisfactory to the Lender. Derivatives of such term have corresponding meanings.
- 1.21. "Cash Equivalent Investments" means (a) short-term obligations of, or fully guaranteed by, the United States of America, (b) commercial paper rated A-1 or better by Standard & Poor's or P-1 or better by Moody's, (c) demand deposit accounts maintained in the ordinary course of business, and (d) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of One Hundred Million and No/100 Dollars (\$100,000,000); provided in each case that the same provides for payment of both principal and interest (and not principal alone or interest alone) and is not subject to any contingency regarding the payment of principal or interest.
- 1.22. "Change in Control" means any such time as: (a) Lee G. Suckow dies or personally ceases to be the owner of at least seventy percent (70%) of the total voting power of each class of stock and other ownership interests outstanding of Borrower from time to time; or (b) Borrower ceases to be the owner of at least ninety percent (90%) of the total voting power of each class of stock and other ownership interests outstanding of its Subsidiary, M3CVP – Clubhouse International, LLC; or (c) M3CVP – Clubhouse International, LLC ceases to be the owner of at least ninety percent (90%) of the total voting power of each class of stock and other ownership interests outstanding of any of its Subsidiaries. For purposes of this Section 1.22 only, Lee G. Suckow will be considered the owner of stock or other ownership interests of Borrower, which he voluntarily transfers to another Person during his lifetime, by trust or similar dispositive instrument, to or for the benefit of his spouse or his descendants, provided, however, that such stock or other ownership interests were pledged to Lender as collateral for the Loan in such manner as Lender, in its sole discretion, may require.
- 1.23. "Closing Date" means the date of this Agreement.

- 1.24. "Code" means the Internal Revenue Code of 1986, and the regulations with respect thereto, as amended, reformed or otherwise modified from time to time.
- 1.25. "Collateral" is defined in Section 3.1.
- 1.26. "Collections" means the proceeds of Restaurant Receivables actually received by Lender in immediately available funds, checks, wire transfers, electronic transfer remittances or remittances pursuant to an Automated Clearing House system from an Obligor's bank account ("ACH Transactions"), or remittances from Diners Club International Ltd. ("Diners Club") or Discover Financial Services ("Discover Card") based upon Diners Club or Discover Card charges; provided, however, if such payments arise from remittances by Discover Card or Diners Club, the amount of such Collections shall be reduced by the regular reimbursement amounts for sales taxes and tips paid by Borrower to Obligors on account of such payments pursuant to its usual and customary business practices.
- 1.27. "Commitment Amount" means, the maximum principal amount which Lender has agreed may be loaned to Borrower, being Seven Million Five Hundred Thousand and No/100 Dollars (\$7,500,000).
- 1.28. "Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.
- 1.29. "Controlled Group" means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.
- 1.30. "Custodian" means that Person executing, as custodian, the Custodian Agreement, its successors and assigns.
- 1.31. "Custodian Agreement" means that certain agreement, dated the date of this Agreement and executed by the Custodian, pursuant to which the instruments and documents evidencing the Collateral is held for the benefit of Lender.
- 1.32. "Debt" means as of the date of determination, all outstanding Indebtedness of the Borrower, including all Loans made by MB to Borrower; accounts payable as of the date of determination; income tax liabilities; mortgages; deposits and debenture instruments; and Subordinated Debt.

- 1.33. "Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.
- 1.34. "Eligible Receivable" means those Restaurant Receivables meeting the requirements of Section 4.1.
- 1.35. "Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions, now or hereafter in effect, relating to (a) the protection of the environment, (b) the effect of the environment on human health, (c) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (d) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.
- 1.36. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.
- 1.37. "Event of Default" means an event described in Article VIII.
- 1.38. "Executive Officer" means any of the Chairman, President, Chief Executive Officer, Chief Financial Officer or Chief Operating Officer of Borrower or any of its Subsidiaries. As of the date of this Agreement, Borrower's and its Subsidiaries' Executive Officers are the individuals listed on Exhibit 1.38.
- 1.39. "Exhibit" means an Exhibit to this Agreement, unless another document is specifically referenced.
- 1.40. "Facility Termination Date" means January 19, 2007.
- 1.41. "Fiscal Quarter" means the three-month calendar period ending on the last day of each March, April, June and December of each year.
- 1.42. "Fiscal Year" means the fiscal year of the Borrower, which period shall be the twelve-month period ending on December 31 of each year.
- 1.43. "Free Cash Flow" means, for any period, Net Income for such period plus, to the extent deducted in determining Net Income for such period, depreciation, amortization and Interest Expense, minus, taxes, capital expenditures, distributions and dividends.
- 1.44. "Funded Indebtedness" means at any time the aggregate dollar amount of Indebtedness which has actually been funded and is outstanding at such time, whether or not such amount is due or payable at such time.

- 1.45. "GAAP" means generally accepted accounting principles in the United States of America applied on a consistent basis, in accordance with the Statement of Auditing Standards No. 69, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles in the Independent Auditor's Report" (SAS 69) or superseding pronouncements, issued by the Auditing Standards Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or in such other statements by such other entity as Lender may reasonably approve, which are applicable in the circumstances as of the date in question. The requirement that such principles be applied on a consistent basis shall mean that the accounting principles observed in a current period are comparable in all material respects to those applied in a preceding period, or, in the event of a material change in any accounting principle from that observed in any previous period (i) financial reports covering preceding periods during the term of this Agreement are restated to reflect such change and provide a consistent basis for comparison among periods and (ii) the financial covenants set forth herein shall be adjusted as determined by Lender to reflect similar performance standards as those measured by the existing covenants using the previously observed accounting principles.
- 1.46. "Guarantors" means, collectively, Lee G. Suckow and M3CVP-Clubhouse International, LLC, a Delaware limited liability company, their respective heirs, personal representatives, successors and assigns.
- 1.47. "Indebtedness" of a Person means such Person's (a) obligations for borrowed money, (b) obligations representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (c) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (d) obligations which are evidenced by notes, acceptances, or other instruments, (e) obligations of such Person to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (f) Capitalized Lease Obligations, (g) Contingent Obligations, (h) letters of credit, (i) Off-Balance Sheet Liabilities, (j) Operating Lease Obligations, and (k) Sale and Leaseback Transactions; provided, however, Indebtedness excludes obligations of Borrower under the Stock Appreciation Agreement.
- 1.48. "Intangible Assets" means, all assets of any person or entity which would be classified in accordance with GAAP as intangible assets, including (a) all franchises, licenses, permits, patents, applications, copyrights, trademarks, trade names, goodwill, experimental or organization expenses and other like intangibles, and (b) unamortized debt discount and expense and unamortized stock discount and expense.
- 1.49. "Intercreditor and Subordination Agreements" means those certain Intercreditor and Subordination Agreements in the form agreed to by Lender, in its sole discretion,

pursuant to which Indebtedness of Borrower or its Affiliates is subordinated to their respective Indebtedness to Lender.

- 1.50. "Interest Expense" means, for any period, the interest expense of the Borrower for such period in accordance with GAAP.
- 1.51. "Inventory" has the meaning assigned to such term in the UCC.
- 1.52. "Investment" of a Person means any of the following owned, made by or acquired by such Person, (a) loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than an extension of credit that creates a Restaurant Receivable in the ordinary course of business) or contribution of capital; (b) stocks, bonds, mutual funds, partnership interests, notes, loans, Indebtedness, debentures or other securities; (c) deposit accounts and certificates of deposit; and (d) structured notes, derivative financial instruments and other similar instruments or contracts.
- 1.53. "Issuing Bank" means MB in its capacity as the issuer of Letters of Credit hereunder and its successors and assigns in such capacity.
- 1.54. "L/C Application" means, with respect to any request for the issuance of a Letter of Credit, a letter of credit application in the form being used by the Issuing Bank at the time of such request for the type of letter of credit requested.
- 1.55. "Lease Agreements" means those certain lease agreements described on Exhibit 1.55.
- 1.56. "Lender" means MB, its successors and assigns.
- 1.57. "Letter of Credit" means those certain commercial and standby letters of credit issued pursuant to Section 2.11.
- 1.58. "Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement), and any assignment, deposit arrangement or lease intended as, or having the effect of, security.
- 1.59. "Loan" means, the aggregate principal amount advanced by Lender to Borrower, pursuant to this Agreement, together with interest accrued thereon and fees and costs incurred by Lender in connection therewith, or otherwise in connection with this Agreement.

- 1.60. "Loan Documents" means those agreements, instruments and documents set forth in Exhibit 1.60 and any other agreements, instruments or documents executed by the Borrower or any of its Affiliates in favor of Lender required or desired by Lender regarding the Loan.
- 1.61. "Lock Box Accounts" means those accounts defined in Section 4.2.
- 1.62. "Material Adverse Effect" means, a material adverse effect upon (a) the business, Property, condition (financial or otherwise), results of operations, or prospects of the Borrower or any of its Subsidiaries, including, a material deterioration in Borrower's working capital, (b) the ability of the Borrower or any Guarantor to perform its Obligations under the Loan Documents to which it is a party, or (c) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Lender thereunder.
- 1.63. "Material Indebtedness" is defined in Section 8.5.
- 1.64. "MB" means MB Financial Bank N.A., a national banking association, having its principal office in Chicago, Illinois, in its individual capacity, and its successors.
- 1.65. "Monthly Collections" means Borrower's Collections for any calendar month.
- 1.66. "Multiemployer Plan" means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which the Borrower or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions.
- 1.67. "Net Income" means, with reference to any period, the net income (or loss) of the Borrower calculated for such period in accordance with GAAP, after eliminating therefrom all extraordinary nonrecurring items of income.
- 1.68. "Net Worth" means at any time the stockholders' equity of the Borrower calculated on a consolidated basis as of such time.
- 1.69. "Note" means that certain promissory note executed by Borrower in favor of Lender pursuant to Section 2.3, as it may be amended from time to time.
- 1.70. "Obligations" means each and every draft, liability, Indebtedness and obligation of every type and description which the Borrower, its Subsidiary or any Guarantor may now or at any time hereafter owe to Lender (whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it arises in a transaction involving Lender alone or in a transaction involving other creditors of the Borrower, and whether it is direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or sole, joint, several or joint and several), and including all

Indebtedness of the Borrower to Lender or Issuing Bank, whether arising under this Agreement or otherwise, now in effect or hereafter entered into.

- 1.71. "Obligor" means any Person who is and/or may become obligated to Borrower with respect to, under or on account of Restaurant Receivables, and such Person's Affiliates.
- 1.72. "Off-Balance Sheet Liability" of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any liability under any Sale and Leaseback Transaction which is not a Capitalized Lease, (c) any liability under any so-called "synthetic lease" transaction entered into by such Person, or (d) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person, but excluding from this clause (d) Operating Leases.
- 1.73. "Operating Lease" of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee which has an original term (including any required renewals and any renewals effective at the option of the lessor) of one year or more.
- 1.74. "Operating Lease Obligations" means, as at any date of determination, the amount obtained by aggregating the present values, determined in the case of each particular Operating Lease by applying a discount rate (which discount rate shall equal the discount rate which would be applied under GAAP if such Operating Lease were a Capitalized Lease) from the date on which each fixed lease payment is due under such Operating Lease to such date of determination, of all fixed lease payments due under all Operating Leases of the Borrower.
- 1.75. "Participant" means any bank, financial institution or other entity to which Lender sells, assigns or transfers a participating interest in any Loan or Letter of Credit, any Note held by Lender, any Commitment Amount of Lender or any other interest of Lender under the Loan Documents.
- 1.76. "Payment Date" means the first day of each month commencing on the first such date after the first Advance under the Loan and continuing until the Facility Termination Date and the Indebtedness is paid in full.
- 1.77. "PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.
- 1.78. "Permitted Forty Eight Month Loans" means those Restaurant Receivables referred to on Exhibit 1.78.
- 1.79. "Person" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or

any government or political subdivision or any agency, department or instrumentality thereof.

- 1.80. "Plan" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.
- 1.81. "Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.
- 1.82. "Purchaser" means any Person to whom Lender assigns all or any part of its rights and obligations under the Loan Documents.
- 1.83. "Reference Rate" means the rate of interest announced or published from time to time by MB as its Reference Rate of interest (which is not necessarily the lowest rate charged to any customer), changing when and as said Reference Rate changes.
- 1.84. "Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.
- 1.85. "Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such Section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.
- 1.86. "Restaurant Receivables" means all of Borrower's now owned or hereafter originated or acquired Accounts arising out of the extension of credit by Borrower, or its assignor, to a restaurant, which credit is evidenced by an Agreement (Advanced Meal Sales) or a promissory note and, in substantially all cases, secured by a security agreement and guaranty, and the collateral securing such Account includes credit or debit card proceeds due such Person which are controlled by Borrower, and/or the Person's ability to electronically transfer funds from its bank account, in a manner consistent with Borrower's regular policies and procedures in effect at the date of this Agreement.
- 1.87. "Restricted Payment" means (a) any advances or distributions to any of Borrower's shareholders or Affiliates; (b) any payment or distribution made in respect of any Subordinated Debt in violation of any Subordination Agreement; (c) any payment on

account of the purchase, redemption, defeasance or other retirement of Borrower's or any of its Subsidiaries' capital stock or other equity interests, or any warrants, options or other rights in respect thereof; (d) any payment of management fees or similar fees to Borrower's shareholders or any Affiliate thereof; (e) any payments to Executive Officers of Borrower or its Subsidiaries in the nature of compensation, distribution, bonuses, loans or transfers of funds; or (f) the setting aside of funds for any of the foregoing; provided that no payment to Lender shall constitute a Restricted Payment.

- 1.88. "Revolving Outstandings" means, at any time, the sum of (a) the aggregate principal amount of all outstanding Loans, plus (b) the Stated Amount of all Letters of Credit.
- 1.89. "Sale and Leaseback Transaction" means any sale or other transfer of Property by any Person with the intent to lease or resulting in the lease of such Property as lessee.
- 1.90. "Section" means a numbered or otherwise identified Section or portion of this Agreement, and includes a reference to each subsection, clause or other portion thereof, unless another document is specifically referenced.
- 1.91. "Senior Debt Service" means the total interest accrued on the Loan and fees paid to Lender pursuant to this Agreement.
- 1.92. "Senior Debt Service Coverage Ratio" means the ratio of Free Cash Flow to Senior Debt Service.
- 1.93. "Single Employer Plan" means a Plan maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group.
- 1.94. "Stated Amount" means, with respect to any Letter of Credit at any date of determination (a) the maximum aggregate amount available for drawing thereunder under any and all circumstances plus (b) the aggregate amount of all unreimbursed payments and disbursements under such Letter of Credit.
- 1.95. "Stock Appreciation Agreement" means that certain agreement attached as Exhibit 1.96, effective January 1, 2000, pursuant to which Borrower established its Stock Appreciation Rights Plan for employees and members of the Board of Directors of Borrower.
- 1.96. "Subordinated Debt" means, the Indebtedness of Borrower described on Exhibit 1.96.
- 1.97. "Subsidiary" of a Person means (a) any corporation, if more than 50% of the outstanding securities having ordinary voting power shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries; or (b) any partnership, limited

liability company, association, joint venture or similar business organization, if more than 50% of the ownership interests having ordinary voting power shall at the time be so owned or controlled. Unless otherwise expressly provided to the contrary, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower and includes a reference to any and all Subsidiaries of such Subsidiary.

- 1.98. "Substantial Portion" means, with respect to the Property of the Borrower, Property which (a) represents more than 10% of the assets of the Borrower as would be shown in the financial statements of the Borrower as at the beginning of the twelve-month period ending with the month in which such determination is made, or (b) is responsible for more than 10% of the net sales or of the net income of the Borrower as reflected in the financial statements referred to in clause (a) above.
- 1.99. "Total Debt Service" means the total interest accrued and fees and principal amount paid on all Debt, excluding the principal amount paid on the Loan.
- 1.100. "Total Debt Service Coverage Ratio" means the ratio of Free Cash Flow to Total Debt Service.
- 1.101. "Transferee" means any Person acquiring an interest in the Loan Documents by operation of law, a Participant or a Purchaser.
- 1.102. "UCC" means the Uniform Commercial code of the State of Illinois, as amended, or as in effect in any jurisdiction where Collateral is located, as appropriate.
- 1.103. "Unfunded Liabilities" means the amount (if any) by which the present value of all vested and unvested accrued benefits under all Single Employer Plans exceeds the fair market value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans using PBGC actuarial assumptions for single employer plan terminations.

ARTICLE II

THE CREDITS

2.1 Revolving Credit Facility. From and including the date of this Agreement and prior to the Facility Termination Date, Lender shall, subject to the terms and conditions set forth in this Agreement, make Advances to the Borrower from time to time in amounts not to exceed in the aggregate at any one time outstanding the amount of the Commitment Amount less the outstanding Stated Amount of any Letters of Credit; provided that the Revolving Outstandings will not at any time exceed the lesser of (a) the Commitment Amount and (b) the Borrowing Base. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Advances at any time prior to the Facility Termination Date.

2.2 Required Payments; Termination. Any outstanding Advances and all other unpaid Obligations shall be paid in full by the Borrower on the Facility Termination Date. Upon the occurrence of an Event of Default, Lender shall have the rights and remedies provided to it in this Agreement.

2.3 Note. The Indebtedness of the Borrower to MB hereunder shall be evidenced by a Note executed by the Borrower in favor of MB, in the form acceptable to Lender, in its sole discretion, which has been executed contemporaneously with and is dated at the same date of this Agreement. The principal amount of the Note will be Seven Million Five Hundred Thousand and No/100 Dollars (\$7,500,000); provided, however, that notwithstanding the face amount of the Note, Borrower's liability under the Note shall be limited at all times to the actual Indebtedness then of Borrower to MB.

2.4 Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to Lender at the Lender's address specified herein, or at any other office of Lender specified in writing by the Lender to the Borrower, by noon (Chicago time) on the date when due. The Lender is hereby authorized to charge the account of the Borrower maintained with MB for each payment of principal, interest and fees as it becomes due hereunder.

2.5 Interest. In the absence of an Event of Default, and prior to the Facility Termination Date, each Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made at a rate per annum equal to the Reference Rate for such day plus one and one-quarter of one percent (1.25%). Changes in the rate of interest on the unpaid portion of the Loan from time to time will take effect simultaneously with each change in the Reference Rate. Interest accrued on each Advance shall be payable monthly in arrears on each Payment Date, commencing with the first such date to occur after the date hereof, on any date on which the Advance is prepaid, whether due to acceleration or otherwise, and at maturity. Interest and fees shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to noon (local time) at the place of payment. If any payment of principal of or interest on an Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment. Interest may, in Lender's discretion, be charged to the Loan or to any of Borrower's accounts maintained at MB, and the same shall thereafter bear interest at the same rate as any other Advance.

2.6 Rates Applicable After Default. During the continuance of an Event of Default, the unpaid portion of the Loan shall bear interest at a rate per annum equal to the interest rate otherwise in effect from time to time plus two percent (2%) per annum (the "Default Rate"). Interest at the Default Rate shall be payable upon demand or, if no demand is sooner made, then on each Payment Date as set forth in Section 2.5. To the extent Lender does not charge the Loan or any of Borrower's accounts maintained at MB for any interest or other Obligations due

hereunder, and such payments are not received within five (5) days of the date due, such amounts shall be subject to a late charge equal to five percent (5%) of the amount past due, which late charge shall be in addition to any charge, fee or interest payable hereunder.

2.7 Minimum Amount of Each Advance. Each Advance shall be in the minimum amount of \$25,000.00.

2.8 Advances. The Borrower shall give the Lender irrevocable notice (a "Borrowing Notice") not later than 1:00 p.m. (Chicago time) of the Borrowing Date of each Advance, specifying:

(a) the Borrowing Date, which shall be a Business Day, of such Advance, and

(b) the aggregate amount of such Advance, which shall not exceed Availability.

The Borrowing Notice shall be certified by an Authorized Officer of Borrower and shall be in the form of Exhibit 2.8. By Borrower's submitting a Borrowing Notice or Borrowing Base Certificate, Borrower thereby represents and warrants to Lender that all of the representations and warranties set forth in this Agreement are true and correct as of the date of the Advance, that no Default or Event of Default described in Sections 8.1, 8.2 or 8.4 through 8.14 of this Agreement, has occurred or is then continuing, and, that, since the date of the financial statements most recently delivered by Borrower to Lender, no Material Adverse Effect has occurred or will occur as a result of the Advance. Subject to the satisfaction of the conditions set forth herein, not later than 4:00 p.m. (Chicago time) on each Borrowing Date, Lender shall make available its Loan in funds immediately available in Chicago to Borrower at Lender's address specified herein. In making any Loan hereunder, Lender shall be entitled to rely upon the truth and accuracy of the most recent Borrowing Base Certificate delivered to Lender and that it was duly authorized and executed by Borrower. Lender shall be under no obligation to make any Advance to Borrower if a Default or Event of Default has occurred or is continuing, Borrower fails to deliver to Lender any certificate or document by the time specified herein, or that Availability does not exist, whether by reason of the imposition of additional reserves requirements or otherwise.

2.9 Telephonic Notices. The Borrower hereby authorizes the Lender to extend, convert or continue Advances and to transfer funds based on telephonic notices made by any person or persons the Lender in good faith believes to be acting on behalf of the Borrower, it being understood that the foregoing authorization is specifically intended to allow Borrowing Notices to be given telephonically. The Borrower agrees to deliver promptly to Lender a written confirmation, if such confirmation is requested by Lender, of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Lender, the records of the Lender shall govern absent manifest error.

2.10 Principal Prepayments.

(a) Optional Prepayments. The Borrower may from time to time pay, without penalty or premium, all outstanding Loan Amounts, in part, at any time, or in full, upon at least two (2) Business Days prior notice to Lender. Provided, however, that (i) in the event Borrower repays the Loan in full prior to the first anniversary of the Closing Date, whether due to acceleration or otherwise, and either Borrower no longer maintains the cash management system established with MB as of the Closing Date pursuant to this Agreement, or Borrower attempts to terminate the Loan or this Agreement, Borrower shall pay to Lender contemporaneously with such prepayment a sum equal to two percent (2%) of the Commitment Amount as a prepayment fee; (ii) in the event Borrower repays the Loan in full on or after the first anniversary of the Closing Date and prior to the second anniversary of the Closing Date, whether due to acceleration or otherwise, and either Borrower no longer maintains the cash management system established with MB as of the Closing Date pursuant to this Agreement, or Borrower attempts to terminate the Loan or this Agreement, the Borrower shall pay a sum equal to 1% of the Commitment Amount as a prepayment fee; and (iii) partial prepayments prior to the Termination Date shall not reduce Lender's Commitment Amount under this Agreement and may be reborrowed, subject to the terms and conditions hereof for borrowing, and partial prepayments will be applied first to accrued interest and fees and then to outstanding Loan Amounts. Borrower acknowledges that it would be difficult or impractical to calculate Lender's actual damages due to early termination of Lender's obligations to make Loans hereunder, and that the prepayment fees are intended to be fair and reasonable approximations of such damages and the prepayment fees are not intended to be penalties.

(b) Mandatory Principal Payments. If on any day the Revolving Outstandings exceed the Borrowing Base, the Borrower shall immediately prepay all Loans and/or Cash Collateralize all Letters of Credit in an amount equal to such excess.

2.11 Letter of Credit Facility. From and including the date of this Agreement and prior to the date which is 30 days prior to the Facility Termination Date, the Issuing Bank will issue commercial and standby letters of credit which are reasonably satisfactory to the Issuing Bank (each a "Letter of Credit") on the terms and conditions set forth in this Agreement at the request of and for the account of the Borrower; provided, that (i) the aggregate Stated Amount of the Letters of Credit shall not at any time exceed Three Hundred Thousand and No/100 Dollars (\$300,000) and (ii) the Revolving Outstandings will not at any time exceed the lesser of (x) the Commitment Amount and (y) the Borrowing Base.

2.12 Letter of Credit Procedures.

2.12.1 L/C Applications. The Borrower shall give notice to the Issuing Bank of the proposed issuance of each Letter of Credit on a Business Day which is at least three Business Days (or such lesser number of days as the Issuing Bank shall agree in any particular instance in its sole discretion) prior to the proposed date of issuance of each Letter of Credit. Each such notice shall be accompanied by an L/C Application, duly executed by the Borrower and in all respects satisfactory to the Issuing Bank, together with a Borrowing Notice and all such other documentation as the Issuing Bank may request in support thereof, it being understood that each L/C Application shall specify, among other things, the date on which the proposed Letter of Credit is to be issued, the expiration date of such Letter of Credit (which shall not be later than the earlier to occur of (x) one year after the date of issuance thereof and (y) five (5) days prior to the Facility Termination Date) and whether such Letter of Credit is to be transferable in whole or in part. In the event of any inconsistency between the terms of any L/C Application and the terms of this Agreement, the terms of this Agreement shall control.

2.12.2 Reimbursement Obligations. The Borrower hereby unconditionally and irrevocably agrees to reimburse the Issuing Bank for each payment or disbursement made by the Issuing Bank under any Letter of Credit honoring any demand for payment made by the beneficiary thereunder, in each case on the date that such payment or disbursement is made. Any amount not reimbursed on the date of such payment or disbursement shall bear interest from the date of such payment or disbursement to the date that the Issuing Bank is reimbursed by the Borrower therefor, payable on demand, at a rate per annum equal to the Default Rate. The Issuing Bank shall notify the Borrower whenever any demand for payment is made under any Letter of Credit by the beneficiary thereunder; provided that the failure of the Issuing Bank to so notify the Borrower shall not affect the rights of the Issuing Bank in any manner whatsoever.

2.12.3 Limitation on Obligations of Issuing Bank. In determining whether to pay under any Letter of Credit, the Issuing Bank shall not have any obligation to the Borrower other than to confirm that any documents required to be delivered under such Letter of Credit appear to have been delivered and appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the Issuing Bank under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence and willful misconduct, shall not impose upon the Issuing Bank any liability to the Borrower and shall not reduce or impair the Borrower's reimbursement obligations set forth in Section 2.12.2.

2.13 Fees. The following fees, charges, costs and expenses shall be borne by Borrower in connection with the Loan and Lender may, in its sole discretion, charge any of the same to the Loan or to any of Borrower's accounts maintained at MB. Lender shall provide Borrower with an invoice or other evidence of such charges prior to charging any of Borrower's accounts. In the event Lender elects not to charge the Loan or Borrower's accounts for any of the following fees, Borrower shall pay such invoice within five (5) days of the date thereof.

2.13.1 Closing Fee. The Borrower shall pay to Lender a non-refundable closing fee of Thirty Five Thousand and no/100 Dollars (\$35,000) upon the execution of this Agreement.

2.13.2 Audit Fee. Upon the execution of this Agreement, the Borrower shall pay to Lender an audit fee for the pre-Closing Date audit equal to Lender's actual out-of-pocket expenses for such audit. From and after the execution of this Agreement, the Borrower shall pay to Lender a fee equal to Lender's actual out-of-pocket expenses for each financial audit of the Borrower performed by personnel employed by, or selected by, the Lender, such fee to be paid upon the completion of each such audit; provided, that unless an Event of Default has occurred and is continuing, or there is a change in Borrower's financial condition, operation or business which causes a Material Adverse Effect, or Lender believes itself, in its sole discretion, insecure, Lender shall conduct no more than three (3) audits per calendar year and the Borrower shall be required to pay the fees and out-of-pocket expenses, up to a maximum of Fifteen Thousand and No/100 Dollars (\$15,000) per calendar year.

2.13.3 Letter of Credit Fees. The Borrower agrees to pay to Lender a letter of credit fee for each Letter of Credit equal to one percent (1.00%) per annum of the undrawn Stated Amount of such Letter of Credit, such fee to be payable in advance on the last day of each Fiscal Quarter to the Facility Termination Date. In addition, with respect to each Letter of Credit, the Borrower agrees to pay to Lender (i) such fees and expenses as Lender customarily requires in connection with the issuance, negotiation, processing and/or administration of letters of credit and (ii) a letter of credit fronting fee in the amount and at the times agreed to by the Borrower and Lender.

2.13.4 Unused Line Fee. The Borrower agrees to pay to Lender an unused line fee in an amount equal to one-half of one percent (0.50%) per annum on the average daily unused portion of the Commitment Amount from the date hereof to the Facility Termination Date, payable as of the last day of each Fiscal Quarter hereafter and on the Facility Termination Date. For the purposes of calculating usage under this Section 2.13.4 the Commitment Amount shall be deemed to be used to the extent of the aggregate principal amount of all unpaid Advances plus the Stated Amount of all Letters of Credit.

2.13.5 Other Fees. The Borrower agrees to pay to Lender throughout the term of this Agreement, all out of pocket expenses, charges, costs and fees incurred by Lender in connection with the Loan, including Lender's attorneys' fees. Borrower's payment of all such charges and any advances made by Lender on account of same, shall be secured by all of Lender's rights under the Loan Documents, and the Loan Documents shall be liens for such charges and advances to the same extent as any charge or disbursement hereunder and that the failure of Borrower to pay any such charge, cost or expense shall be a default under this Agreement and the Loan Documents. If Borrower fails to pay or to direct that Lender pay any of the charges or expenses enumerated above when due, and, if Borrower fails to pay or to direct that Lender pay any such costs, charges or expenses within five (5) days after notice from Lender, then Lender may deduct from any payment made to or for the benefit of Borrower

under this Agreement or charge to the Loan or to any of Borrower's accounts maintained at MB an amount necessary for the payment of any such fee, charge or expense.

ARTICLE III

COLLATERAL

3.1 Grant of Security Interest. To secure the prompt payment to the Lender of the Obligations, and the prompt, full and faithful performance by the Borrower of all of the provisions to be kept, observed or performed by the Borrower under this Agreement and the Loan Documents, the Borrower hereby grants to Lender, a security interest in and to, and collaterally assigns and pledges to Lender, all of the Borrower's property, except as otherwise expressly set forth in this Section 3.1, wherever located, whether now or hereafter existing, owned, licensed, leased (to the extent of the Borrower's leasehold interest therein), consigned (to the extent of the Borrower's ownership therein), arising and/or acquired, including all of the Borrower's: (a) Accounts, deposit accounts, chattel paper, tax refunds, contract rights, leases, leasehold interests, letters of credit, letters-of-credit rights, instruments, documents, documents of title, patents, copyrights, trademarks, tradenames, service marks, licenses, goodwill, beneficial interests, supporting obligations and general intangibles (including payment intangibles and software); (b) all goods whose sale, lease or other disposition by the Borrower have given rise to Accounts and have been returned to or repossessed or stopped in transit by the Borrower; (c) certificated and uncertificated securities, including all shares of stock and membership interests in any and all Subsidiaries; (d) goods, including all its consumer goods, machinery, equipment, farm products, fixtures and inventory; (e) liens, guaranties and other rights and privileges pertaining to any of the Collateral; (f) monies, reserves, deposits, deposit accounts and interest or dividends thereon, cash or cash equivalents; (g) all property now or at any time or times hereafter in the possession, or under the control of the Lender or any bailee thereof; (h) all accessions to the foregoing, all litigation proceeds pertaining to the foregoing and all substitutions, renewals, improvements and replacements of and additions to the foregoing; and (i) all books, records and computer records in any way relating to the Collateral herein described. Notwithstanding anything to the contrary set forth herein, Borrower does not grant to Lender any security interest in any leasehold interest in or leases for real property, whether now or hereafter existing. All of the aforesaid property and products and proceeds of the foregoing, including proceeds of insurance policies insuring the foregoing are herein individually and collectively called the "Collateral". The terms used herein to identify the Collateral shall include meanings assigned to such terms in the UCC, as of the date hereof.

3.2 Disclosure of Security Interests. The Borrower shall make appropriate entries upon its financial statements and in its Books and Records disclosing the Lender's security interest in the Collateral, and disclosing Lender's security in all shares of Borrower pledged to Lender owned of record by Lee G. Suckow, and his successors and permitted assigns, and shall deliver to Lender such documentation as Lender may require evidencing such interests; however, the security interest of Lender in the Collateral shall attach, immediately upon the creation or

acquisition thereof by Borrower, regardless of whether the same be then or thereafter delivered to Lender.

Borrower shall promptly: (a) deliver to the Custodian under the Custodian Agreement as the bailee and designee of Lender, or, upon the request of Lender, to Lender, all documents and instruments evidencing or securing Restaurant Receivables, and, upon request of Lender, provide access to Lender or its designee to any other Property in which Borrower has granted Lender a security interest hereunder, and remote access to all of Borrower's and its Subsidiaries' Books and Records including all computers, computer data and records; (b) execute and deliver to Lender, for the benefit of Lender, such assignments, mortgages, financing statements, amendments thereto and continuation statements thereof, in form satisfactory to Lender, as such additional agreements, documents or instruments as Lender may, from time to time, require to evidence, perfect and continue to perfect Lender's liens and security interests granted hereunder; and (c) deliver to Lender copies of all documents and instruments evidencing and securing each Restaurant Receivable in which the outstanding principal amount exceeds Two Hundred Fifty Thousand and no/100 Dollars (\$250,000). For purposes of this Agreement, the parties hereto agree that, until Lender shall otherwise direct or designate, the custodian(s) under the Custodian Agreement or Agreements as from time to time in effect, shall be deemed to be the designee of Lender and Lender shall have the right, at any time and from time to time, to direct or redirect the delivery of all or any of the foregoing items to any other designee. Lender may in its sole discretion record or file any such document, instrument or agreement, including without limitation, this Agreement, as it may from time to time deem desirable.

3.3 Supplemental Documentation. The Borrower shall execute and deliver to Lender, all agreements, instruments and documents ("Supplemental Documentation") that the Lender reasonably may request, in form and substance acceptable to the Lender, to perfect and maintain perfected the Lender's security interest in the Collateral and to consummate the transactions contemplated in or by this Agreement and the Loan Documents. The Borrower agrees that a carbon, photographic or photostatic copy, or other reproduction of this Agreement or of any financing statement, shall be sufficient to evidence the Lender's security interest.

3.4 Continued Perfection. The Borrower warrants and represents to and covenants with the Lender that the Lender's security interest in the Collateral is now and at all times hereafter shall be perfected and have first priority, subject only to the Liens permitted under Section 7.15(e), and will not be subject to any prior security interest, lien, charge or encumbrance, or any agreement purporting to grant to any third party any lien or security interest in the Collateral, provided that (a) with respect to certificated securities, the original certificates, along with stock powers or assignments have been delivered to Lender, (b) with respect to any trademarks, service marks or other intellectual property, a financing statement has been filed with the United States Patent and Trademark Office, (c) with respect to any deposit accounts at any financial institution other than MB, such financial institution has executed a written control agreement in favor of Lender covering all such accounts waiving any of its rights of set-off, and

(d) with respect to all other Collateral, a Uniform Commercial Code Financing Statement has been filed.

3.5 Proceeds of Collateral. At the request of the Lender, the Borrower shall receive, as the sole and exclusive property of the Lender and as trustee for the Lender, all monies, checks, notes, drafts and all other payments for and/or proceeds of Collateral which come into possession or under the control of the Borrower and immediately upon receipt thereof, the Borrower shall remit the same (or cause the same to be remitted), in kind, to the Lender or at the Lender's direction and, pursuant to the provisions of this Agreement, the Lender shall apply the same to and on account of the Obligations. Lender may take control of, in any manner, and may endorse the Borrower's name to any of the items of payment or proceeds described herein.

3.6 Payment of Claims. The Lender may, at any time or times hereafter, but shall be under no obligation to pay, acquire and/or accept an assignment of any security interest, lien, encumbrance or claim asserted by any Person against the Collateral.

3.7 Setoff. Regardless of the adequacy of any Collateral securing the Obligations, any deposits or other sums at any time credited by or payable or due from the Lender to the Borrower, or any monies, cash, cash equivalents, securities, instruments, documents or other assets of the Borrower in possession or control of the Lender or its bailee for any purpose may, upon demand, or a Default or Event of Default, be reduced to cash and applied by the Lender to the Obligations or setoff by the Lender against the Obligations.

3.8 Collections. Notwithstanding the assignment of the Restaurant Receivables by Borrower to Lender, provided no Event of Default has occurred or is continuing, Borrower shall service, manage, enforce and receive Collections for the account of Lender. No such rights or obligations shall be deemed or construed to impair or affect the security interest granted hereunder. The Borrower shall have no power to make any unusual allowance or credit to any Obligor without Lender's prior written consent. Borrower may settle, compromise or adjust receivables in the ordinary course of business, provided, however, Borrower shall not permit or agree to any extension, compromise or settlement with respect to Restaurant Receivables which constitute, in the aggregate, more than five percent (5%) of all Restaurant Receivables then owing to the Borrower.

ARTICLE IV

ELIGIBILITY REQUIREMENTS, CASH MANAGEMENT AND COLLECTIONS

4.1 Eligible Receivables. An "Eligible Receivable" is the value, as solely determined by Lender, of the unpaid principal amount of Restaurant Receivables owing to the Borrower which, in Lender's sole discretion, meets each of the following requirements:

(a) the Borrower originated the Restaurant Receivable and had full power and authority to extend such credit and such Restaurant Receivable and all Books and Records related thereto are genuine, based on enforceable contracts and documents and are, in all respects, what they purport to be;

(b) it has been duly authorized, executed, delivered by the parties whose names appear thereon and are valid and enforceable in accordance with its terms; any chattels described in the Restaurant Receivable are and will be accurately described and are and will be in the possession of the Custodian or Lender if requested by it;

(c) the form and content of each Restaurant Receivable and the security related thereto and the transactions from which it arose comply in all material respects (and in any event in all respects necessary to maintain and ensure the validity and enforceability of the Restaurant Receivable) with any and all applicable laws, rules and regulations;

(d) the original amount and unpaid balance of each Restaurant Receivable on the Borrower's Books and Records and on any statement or schedule delivered to MB, is and will be the true and correct amount actually owing to Borrower as of the date each Restaurant Receivable is pledged to MB, is not subject to any claim of reduction, counterclaim, set-off, recoupment or any other claim, allowance or adjustment; and Borrower does not have any knowledge of any fact which would impair the validity or collectibility of the Restaurant Receivable;

(e) the Borrower has made an adequate credit investigation of the Obligor of such Restaurant Receivable and has determined that its credit is satisfactory and meets the standards generally observed by prudent restaurant owners and is in conformity in all material respects with Borrower's policies and standards;

(f) the Borrower has good and valid indefeasible title to the Restaurant Receivable, free and clear of all prior assignments, claims, liens, encumbrances and security interests, and has the right to pledge and grant MB a first priority security interest in the same, in the manner provided in this Agreement;

(g) there is no bankruptcy, insolvency, liquidation proceeding, or assignment for the benefit of creditors by or against the Obligor with respect thereto, unless:

(A) payments from said Obligor continue after the filing and the payments are at a rate such that the total unpaid balance of such Restaurant Receivable will be repaid within fifteen (15) months of the filing of any such insolvency proceeding; or

(B) the aggregate amount of all such Restaurant Receivables, not including those described in (A) above, does not exceed the lesser of fifteen percent (15%) of the aggregate of all Restaurant Receivables or Five Hundred Thousand and no/100 Dollars (\$500,000);

provided, however, if the Obligor with respect thereto was in bankruptcy or other liquidation proceeding at the time the Restaurant Receivable was first created, then this Section 4.1(g) shall not apply to such Restaurant Receivable;

(h) it arose in the ordinary course of business of the Borrower;

(i) if the Borrower maintains a credit limit for an Obligor, the aggregate dollar amount of all Restaurant Receivables due from such Obligor, including such Restaurant Receivable, does not exceed such credit limit;

(j) a payment with respect thereto has been received by Borrower within the preceding thirty (30) days;

(k) the Obligor with respect thereto is not an Affiliate of the Borrower or any Guarantor;

(l) unless a Permitted Forty Eight Month Loan as set forth on Exhibit 1.78, such Restaurant Receivable has not been outstanding for more than two (2) years; and

(m) except for the Indebtedness of those Obligors listed on Exhibit 7.26, the aggregate Indebtedness to Borrower of the Obligor of such Restaurant Receivable does not exceed (i) Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000) or (ii) five percent (5%) of the aggregate of all Restaurant Receivables;

A Restaurant Receivable which is at any time an Eligible Receivable, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Receivable. Further, with respect to any Restaurant Receivable, if the Lender at any time hereafter determines in its sole discretion that the prospect of payment or performance by the Obligor with respect thereto appears materially impaired, such Restaurant Receivable shall cease to be an Eligible Receivable upon such determination and Lender, in its sole discretion, may impose on Borrower additional reserves requirements with respect to such Account.

4.2 Collection of Receivables and Payments. The Borrower and each of its Subsidiaries (except as set forth on Exhibit 4.2) shall establish lock box accounts and blocked accounts with the Lender and with such financial institutions as are acceptable to Lender from time to time (collectively, the "Collecting Banks") (the lock box accounts and blocked accounts are referred to as "Lock Box Accounts"), as required pursuant to Section 7.29 of this Agreement.

The financial institutions listed on Exhibit 4.2 are acceptable to Lender as Collecting Banks as of the date hereof. Borrower shall cause all Obligors to directly remit to the Lock Box Accounts or otherwise authorize direct remittance to the Lock Box Accounts, all payments arising out of the Restaurant Receivables. Borrower will immediately deposit all collections, cash and other payments made for Accounts, Inventory and other payments constituting proceeds of Collateral in the identical form in which such payment was made, whether by cash or check, into such Lock Box Accounts. Borrower shall cause the Collecting Banks to acknowledge and agree, in a manner satisfactory to the Lender, that all payments made to the Lock Box Accounts are the sole and exclusive property of the Lender, that the Collecting Banks have no right to setoff against the Lock Box Accounts and that the Collecting Banks will wire or otherwise transfer immediately available funds in a manner satisfactory to the Lender, funds deposited into the Lock Box Accounts to the Lender on a daily basis as soon as such funds are collected. The Borrower hereby agrees that all payments made to the Lock Box Accounts or otherwise received by the Collecting Banks or the Lender, whether on the Restaurant Receivables or as proceeds of the Borrower's Accounts or other Collateral or otherwise, will be the sole and exclusive property of the Lender and, with the exception of those funds in the accounts listed on Exhibit 4.2, will be applied daily on account of the Borrower's Obligations. The Borrower and each of its Affiliates and Subsidiaries, and their respective shareholders, directors, officers, employees, agents or those Persons acting for or in concert with the Borrower shall, acting as trustee for the Lender, receive, as the sole and exclusive property of the Lender, any monies, checks, notes, drafts or any other payment relating to and/or proceeds of the Restaurant Receivables or other Collateral which come into the possession or under the control of the Borrower or any of such Affiliates, Subsidiaries, shareholders, directors, officers, employees, agents or those Persons acting for or in concert with the Borrower and immediately upon receipt thereof, the Borrower shall remit the same or cause the same to be remitted, in kind, to the Lender. The Borrower agrees to pay to the Lender any and all fees, costs and expenses which the Lender incurs in connection with opening and maintaining Borrower's Lock Box Accounts, transferring of funds, and depositing for collection by the Lender any check or item of payment received and/or delivered to any Collecting Bank or the Lender, respectively, on account of the Obligations and the Borrower further agrees to reimburse the Lender for any claims asserted by the Collecting Banks in connection with the Borrower's Lock Box Accounts and any amounts paid to any Collecting Bank arising out of the Lender's indemnification of such Collecting Bank against damages incurred by the Collecting Bank in the operation of any Blocked Account.

4.3 Verification of Accounts. Any of the Lender's officers, employees or agents shall have the right, at any time or times hereafter, in the Lender's name or in the name of a nominee of the Lender, to verify the validity, amount or any other matter relating to any Accounts by mail, telephone, facsimile or otherwise and to sign the Borrower's name on any verification of Accounts and notices thereof to Obligors. All costs, fees and expenses relating thereto incurred by the Lender (or for which the Lender becomes obligated) shall be part of the Obligations, payable by the Borrower to the Lender on demand.

4.4 Claims with respect to Accounts. Borrower shall promptly upon the Borrower's learning thereof, inform the Lender, in writing, of any delay in the Borrower's performance of

any of its obligations to any Obligor and of any assertion of any claims, offsets or counterclaims by any Obligor in excess of Ten Thousand and no/100 Dollars (\$10,000), and, with respect to Restaurant Receivables in the principal amount of Ten Thousand and no/100 Dollars (\$10,000) or more, any adverse change which, in Borrower's sole business judgment, would affect such Obligor's ability to satisfy its liabilities to Borrower.

4.5 Appointment of Lender as Borrower's Attorney-in-Fact. The Borrower irrevocably hereby designates, makes, constitutes and appoints the Lender (and all Persons designated by the Lender) as the Borrower's true and lawful attorney (and agent-in-fact), with power, upon the occurrence and during the continuance of an Event of Default, without notice to the Borrower and in the Borrower's or the Lender's name: (i) to demand payment of Receivables and Accounts; (ii) to enforce payment of the Receivables and Accounts by legal proceedings or otherwise; (iii) to exercise all of the Borrower's rights and remedies with respect to the collection of the Receivables and Accounts; (iv) to settle, adjust, compromise, discharge, release, extend or renew the Receivables and Accounts; (v) to settle, adjust or compromise any legal proceedings brought to collect the Receivables and Accounts; (vi) to sell or assign the Receivables and Accounts upon such terms, for such amounts and at such time or times as the Lender deems advisable; (vii) to prepare, file and sign the Borrower's name on any Notice of Lien, Assignment or Satisfaction of Lien or similar document in connection with the Receivables and Accounts; and (viii) to prepare, file and sign the Borrower's name on any Proof of Claim in Bankruptcy or similar document against any Obligor.

4.6 Notice to Obligors. Upon the occurrence and during the continuance of an Event of Default, the Lender shall have the right, without notice thereof to the Borrower: (i) to notify any or all Obligors that the Restaurant Receivables have been assigned to the Lender and the Lender has a security interest therein; (ii) to direct such Obligors to make all payments due from them to the Borrower upon the Restaurant Receivables directly to the Lender; and (iii) to enforce payment of and collect, by legal proceedings or otherwise, the Accounts in the name of the Lender and the Borrower.

ARTICLE V

CONDITIONS PRECEDENT

5.1 Initial Advance. The Lender shall not be required to make the initial Advance and the Issuing Bank shall not be required to issue the initial Letter of Credit hereunder unless the Borrower has furnished to the Lender:

(a) Charter; Good Standing Certificates. Copies of the articles or certificate of incorporation or organization of the Borrower and any Subsidiary, together with all amendments, certified by the appropriate governmental officer in its jurisdiction of incorporation, together with a good standing certificate issued by the Secretary of State of the jurisdiction of its formation and such other jurisdictions as shall be requested by the Lender.

(b) By-laws and Resolutions. Copies, certified by the Secretary or Assistant Secretary of the Borrower, of its by-laws and of resolutions of its board of directors, members and of any other body authorizing the execution of the Loan Documents to which the Borrower is a party, or any other documents to be executed pursuant to this Agreement.

(c) Incumbency Certificate. An incumbency certificate, executed by the Secretary or Assistant Secretary of the Borrower, which shall identify by name and title and bear the signatures of the Authorized Officers and any other officers of the Borrower authorized to sign the Loan Documents to which the Borrower is a party, and any other documents to be executed pursuant to this Agreement, upon which certificate the Lender shall be entitled to rely until informed of any change in writing by the Borrower.

(d) Borrowing Notice. An executed Borrowing Notice as of the initial Borrowing Date.

(e) Legal Opinions. A written opinion of the Borrower's and Guarantors' counsel, addressed to the Lender in form and substance acceptable to the Lender and its counsel.

(f) Note. The executed Note payable to the order of Lender.

(g) Loan Documents. Executed originals of this Agreement and each of the Loan Documents, as set forth in Exhibit 1.60, which shall be in full force and effect, together with all schedules, exhibits, certificates, instruments, opinions, documents, control agreements, stock powers and financial statements required to be delivered pursuant hereto and thereto.

(h) Letters of Direction. Written money transfer instructions, in substantially the form of Exhibit 5.1(h), signed by an Authorized Officer, together with such other related money transfer authorizations as the Lender may have reasonably requested. Borrower agrees that as soon as possible, but in no event later than one hundred twenty (120) days from the Closing Date, to cause all of its accounts at any Collecting Banks to be transferred to MB; provided, however, that Borrower shall have an additional ninety (90) days to transfer those accounts to which payments are received from Diner's Club.

(i) Insurance Certificates. The insurance certificates described in Section 7.6 naming the Lender, as loss payee for any casualty policies and additional insured for any liability policies in form and substance acceptable to the Lender.

(j) Subsidiary By-Laws and Resolutions. Copies, certified by the Secretary or Assistant Secretary of the Subsidiary, of its by-laws and Board of

Directors' or members' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for the Lender) authorizing the execution, delivery and performance of the Guaranty, and any other documents to be executed by the Subsidiary pursuant to this Agreement.

(k) Subsidiary Incumbency Certificate. An incumbency certificate, executed by the Secretary or Assistant Secretary of the Subsidiary, which shall identify by name and title and bear the signature of the officers of the Subsidiary authorized to sign the Guaranty and any other documents to be executed by the Subsidiary pursuant to this Agreement, upon which certificate the Lender shall be entitled to rely until informed of any change in writing by the Subsidiary.

(l) Lien Searches; UCC Financing Statements. (i) Such duly completed UCC-1 financing statements as the Lender shall have requested to perfect its security interest in the Collateral, which financing statements shall have been filed before the date hereof and (ii) copies of searches of financing statements filed under the Uniform Commercial Code, together with tax lien and judgment searches with respect to the assets of the Borrower and Guarantors in such jurisdictions as the Lender may request.

(m) Borrowing Base Certificate. A Borrowing Base Certificate, dated as of the Closing Date reflecting the computation of the Borrowing Base as of the Closing Date, and Availability of not less than Two Million and No/100 Dollars (\$2,000,000), all of which shall be satisfactory to the Lender in its sole discretion.

(n) Payoff Letter. The Lender shall have received a payoff letter from GF Asset Management, LLC, a Delaware limited liability company, indicating the amount of loan obligations of the Borrower to be discharged on the date hereof and all commitments thereunder terminated and an acknowledgment by GF Asset Management, LLC, that upon receipt of such funds it will forthwith execute and deliver to the Lender for filing all termination statements and take such other actions as may be necessary to discharge all mortgages, deeds of trust and security interests granted by the Borrower in favor of GF Asset Management, LLC.

(o) Business Plan. Borrower's 2004 Business Plan in form and substance satisfactory to Lender

(p) Field Examination. The Lender shall have completed to its satisfaction a field examination of the Borrower's business operations and assets.

(q) Intercreditor and Subordination Agreements. Intercreditor and Subordination Agreements shall be executed and delivered to Lender by "Subordinated Lenders" owning and holding "Subordinated Notes," the principal balance of which aggregates not less than Five Million and no/100 Dollars (\$5,000,000). "Subordinated Lenders" and "Subordinated Notes" have the

respective meanings ascribed to them in the Intercreditor and Subordination Agreement.

(r) Other. Such other documents as any Lender or its counsel may have reasonably requested.

5.2 Advances. The Lender shall not be required to make any Advance and the Issuing Bank shall not be required to issue any Letter of Credit unless on the applicable Borrowing Date or Letter of Credit issuance date:

(a) there exists no Default or Event of Default as described in Sections 8.1, 8.2 or 8.4 through 8.14 of this Agreement, and none would result from such Advance;

(b) the representations and warranties contained in Article VI are true and correct as of such Borrowing Date or Letter of Credit issuance date except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date; and

(c) all legal matters incident to the making of such Advance or the issuance of such Letter of Credit shall be satisfactory to the Lender and its counsel.

Each Borrowing Notice with respect to each such Advance and each request for the issuance of a Letter of Credit shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 5.2(a) and (b) have been satisfied. The Issuing Bank or Lender may require a duly completed compliance certificate in substantially the form of Exhibit 7.1(d) as a condition to making an Advance or issuing a Letter of Credit.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to, and covenants and agrees with the Lender that:

6.1 Existence and Standing. The Borrower and each of its Subsidiaries is a corporation or limited liability company, duly and properly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority, franchises, licenses and privileges to operate and conduct its business in each jurisdiction in which its business is conducted. The Borrower's and each Subsidiary's exact legal name, any and all assumed names, corporate identification numbers and all jurisdictions in which each and all of them are authorized to do business are as set forth on Exhibit 6.1.

6.2 Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by proper corporate proceedings, and the Loan Documents to which the Borrower is a party constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower.

6.3 No Conflict; Government Consent. Neither the execution and delivery by the Borrower of the Loan Documents to which it is a party, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (a) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or (b) the Borrower's articles of incorporation or by-laws, or (c) the provisions of any indenture, instrument or agreement to which the Borrower is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower, is required to be obtained by the Borrower in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

6.4 Financial Statements. The audited financial statements of the Borrower and each of its Subsidiaries as at December 31, 2002 and all other financial statements of the Borrower and its Subsidiaries which have been delivered to Lender or are to be delivered to Lender, were prepared in accordance with GAAP (subject in the case of such unaudited statements, to the absence of footnotes and to normal year-end adjustments) and present fairly the financial condition of the Borrower or such Subsidiary as at such dates and the results of their operations for the periods then ended.

6.5 Material Adverse Change. Since December, 2002 there has been no change in the business, Property, condition (financial or otherwise) or results of operations of the Borrower or any Subsidiary which could reasonably be expected to have a Material Adverse Effect.

6.6 Taxes. The Borrower and each Subsidiary has filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Borrower and each Subsidiary, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists. The United States income tax returns of the Borrower have not been audited by the Internal Revenue Service. No tax liens have been filed and no claims are being asserted with respect to any such taxes. The charges, accruals and reserves on the books of the Borrower and each of its Subsidiaries in respect of any taxes or other governmental charges are adequate. Borrower is

eligible and has elected to be taxed as a "S corporation" pursuant to Section 1362 of the Code, and will remain so eligible and so taxed.

6.7 Litigation and Contingent Obligations. Except as set forth on Exhibit 6.7, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Loans or the issuance of any Letters of Credit. Other than any liability incident to any litigation, arbitration or proceeding which could not reasonably be expected to have a Material Adverse Effect, the Borrower has no material contingent obligations not provided for or disclosed in the financial statements delivered to Lender hereunder.

6.8 Subsidiaries. The Borrower has no Subsidiaries, except as set forth in Exhibit 6.1, and no Investments, other than Cash Equivalent Investments.

6.9 Stock. The Borrower has only one authorized class of stock and has not issued or authorized any stock, nor is any stock outstanding, except as set forth in Exhibit 6.9.

6.10 ERISA. Neither Borrower nor any of its Subsidiaries sponsors or maintains any Plan, except as described on Exhibit 6.10. Neither Borrower nor any of its Subsidiaries maintains or will maintain any other Single Employer Plan, nor any Multiemployer Plan. Neither Borrower nor any of its Subsidiaries is liable for any Unfunded Liabilities. The Borrower is an "operating company" as defined in 29 C.F.R 2510-101 (c). Neither the execution of this Agreement nor the making of Loans or the issuance of Letters of Credit hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

6.11 Accuracy of Information. No information, Exhibit or report furnished by the Borrower to Lender in connection with the negotiation of, or compliance with, the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading.

6.12 Regulation U. Neither Borrower nor any of its Subsidiaries shall use or permit any of its assets, including the proceeds of the Loans, to be used, either directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock (as defined in Regulation U). No assets of Borrower or any of its Subsidiaries are currently or will be used for any purpose which violates or is inconsistent with the provisions of Regulation U.

6.13 Material Agreements. Neither the Borrower nor any of its Subsidiaries is a party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its Subsidiaries is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (a) any agreement to which it is a party, which default could reasonably be expected to have a Material Adverse Effect or (b) any agreement or instrument evidencing or governing Indebtedness.

6.14 Compliance With Laws. The Borrower and each of its Subsidiaries has complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except for any failure to comply with any of the foregoing which could not reasonably be expected to have a Material Adverse Effect.

6.15 Ownership of Properties. Except as set forth on Exhibit 6.15, on the date of this Agreement, the Borrower and each of its Subsidiaries will have good title, free of all Liens other than those permitted by Section 7.16, to all of the Property and assets reflected in the Borrower's most recent consolidated financial statements provided to the Lender as owned by the Borrower.

6.16 Intellectual Property. To Borrower's knowledge, none of the trademarks, service marks or other intellectual property of Borrower or any Subsidiary infringe the rights or other assets of any Person, nor has Borrower or any of its Subsidiaries received notice of any infringement. All such intellectual property which is the subject of any application or registration in the United States Patent and Trademark Office is identified on Exhibit 6.16. Borrower and each of its Subsidiaries will take all required action to maintain the registered status of such intellectual property and pursue any existing applications through registration. If Borrower or any of its Subsidiaries intends to abandon or cancel any of its respective trademarks, service marks or other intellectual property, it shall immediately notify Lender.

6.17 Environmental Matters. In the ordinary course of its business, the officers of the Borrower consider the effect of Environmental Laws on the business of the Borrower, in the course of which they identify and evaluate potential risks and liabilities accruing to the Borrower due to Environmental Laws. On the basis of this consideration, the Borrower has concluded that Environmental Laws cannot reasonably be expected to have a Material Adverse Effect. The Borrower has not received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

6.18 Investment Company Act. The Borrower is not an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

6.19 Public Utility Holding Company Act. The Borrower is not a "holding company" or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

6.20 Insurance. The certificate signed by the President or Chief Financial Officer of the Borrower, that attests to the existence and adequacy of, and summarizes, the property and

casualty insurance program carried by the Borrower and that has been furnished by the Borrower to the Lender, is complete and accurate. This summary includes the insurer's or insurers' name(s), policy number(s), expiration date(s), amount(s) of coverage, type(s) of coverage, exclusion(s), and deductibles. This summary also includes similar information, and describes any reserves, relating to any self-insurance program that is in effect.

6.21 Solvency. (a) immediately after the consummation of the transactions to occur on the date hereof and immediately following the making of each Advance and the issuance of each Letter of Credit, if any, made on the date hereof and after giving effect to the application of the proceeds of such Loans and Letters of Credit, (i) the fair value of the assets of the Borrower, at a fair valuation, will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Borrower; (ii) the present fair saleable value of the Property of the Borrower will be greater than the amount that will be required to pay the probable liability of the Borrower on its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the Borrower will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Borrower will not have unreasonably small capital with which to conduct the businesses in which it is engaged as such businesses are now conducted and are proposed to be conducted after the date hereof.

(b) The Borrower does not intend to incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it and the timing of the amounts of cash to be payable on or in respect of its Indebtedness.

6.22 Collateral. Except as permitted under this Agreement, all of the Collateral is and will continue to be owned by the Borrower, has been fully paid for and is free and clear of all Liens, other than those described on Exhibit 7.15(e). The tangible Collateral is located at the locations set forth on Exhibit 6.22 or at such other locations as otherwise permitted hereunder.

6.23 Account Warranties. With respect to each and all of the Accounts, except as otherwise disclosed by the Borrower to the Lender in writing and acknowledged by Lender, the Borrower warrants and represents to the Lender that: (a) they are genuine, are in all respects what they purport to be and are not subject to a judgment; (b) they represent undisputed, bona fide transactions completed in accordance with the terms and provisions contained in the invoices and other documents delivered to the Lender with respect thereto; (c) the amounts shown on any schedule of Accounts and/or all invoices and statements delivered to the Lender with respect thereto are actually and absolutely owing to the Borrower and are not in any way contingent; (d) from and after the Closing Date, no payments have been made or shall be made thereon except payments immediately delivered to the Lender pursuant to this Agreement; (e) to Borrower's knowledge, there are no setoffs, counterclaims or disputes existing or asserted with respect thereto and the Borrower has not made any agreement with any Obligor thereof for any deduction therefrom or payment therefor except regular discounts and reimbursements allowed by the Borrower in the ordinary course of its business; (f) to Borrower's knowledge, there are no

facts, events or occurrences which in any way impair the validity or enforcement thereof or tend to reduce the amount payable thereunder, which may be shown on any schedule of accounts and on all invoices, and statements delivered to the Lender with respect thereto; (g) to Borrower's knowledge, all Obligor's thereunder have the capacity to contract and are solvent; (h) the services furnished and/or goods sold or leased giving rise thereto are not subject to any lien, claim, encumbrance or security interest except that of Lender; (i) the Borrower has no knowledge of any fact or circumstance which would impair the validity or collectibility thereof; and (j) to Borrower's knowledge, there are no proceedings or actions which are threatened or pending against any Obligor which might result in any material adverse change in its financial condition

6.24 Principal Place of Business. The principal place of business and chief executive office of the Borrower is located at the location set forth herein. As of the Closing Date, the Books and Records of the Borrower, all records of account and all chattel paper (to the extent the same have not been delivered to the Lender or its Custodian) are located at the principal place of business and chief executive office of the Borrower.

6.25 Other Corporate Names. Except as set forth on Exhibit 6.1, neither the Borrower nor any of its Subsidiaries have used any corporate, assumed or fictitious name other than the corporate name shown on the Borrower's and each Subsidiary's certificate of formation.

6.26 Bank Accounts. Exhibit 6.26 sets forth the account numbers and locations of all bank accounts, merchant processing accounts and lock boxes of the Borrower and each of its Subsidiaries.

6.27 Indebtedness. As of the Closing Date, all Indebtedness of Borrower and each of its Subsidiaries' is set forth on Exhibit 6.27.

ARTICLE VII

COVENANTS

During the term of this Agreement, unless the Lender shall otherwise consent in writing:

7.1 Financial Reporting. The Borrower will maintain a system of accounting established and administered in accordance with GAAP, and furnish or cause to be furnished to the Lender in written or electronic form, at Lender's request :

(a) Annual Audited Statements. Within ninety (90) days after the close of each of its Fiscal Years, an unqualified audit report certified by KPMG, LLP, or other independent certified public accountants acceptable to the Lender, prepared in accordance with GAAP, for each of Borrower and its Subsidiaries including balance sheets as of the end of such period, related profit and loss and consolidated statements of changes in stockholders' equity, and a statement of cash flows, accompanied by any management letter prepared by said accountants.

(b) Monthly Financial Statements. Within thirty (30) days after the close of each monthly period of each of its Fiscal Years, for each of Borrower and its Subsidiaries, unaudited balance sheets as at the close of each such period, together with statements of earnings and cash flows for such period and for the period from the beginning of such Fiscal Year to the end of such month, all certified by its Chief Financial Officer or other Authorized Officer.

(c) Plan and Forecast. As soon as available, but in any event within fifteen (15) days before the beginning of each Fiscal Year of the Borrower and its Subsidiaries, a copy of the plan and forecast (including a projected consolidated and consolidating income statement) of the Borrower and its Subsidiaries for such Fiscal Year.

(d) Compliance Certificate. Together with the financial statements required under Sections 7.1(a) and (b), a compliance certificate in substantially the form of Exhibit 7.1(d) signed by its Chief Financial Officer or other Authorized Officer showing the calculations necessary to determine compliance with this Agreement and stating that no Default or Event of Default exists, or if any Default or Event of Default exists, stating the nature and status thereof.

(e) Borrowing Base Certificate. Monthly, on or before the tenth (10th) day of each month, or at such other times as Lender may request, a Borrowing Base Certificate containing a computation of the Borrowing Base as of the last day of the preceding month, or as of such other date as Lender may request, detailing among other matters, Eligible Receivables and Monthly Collections, certified as true and correct by the Chief Financial Officer of Borrower or other Authorized Officer, and verified and certified by the Custodian as provided in the Custodian Agreement.

(f) Collateral Reports. Within ten (10) days after the end of each month, a report as of the close of each such period certified by the Chief Financial Officer including: (i) an aged trial balance of the Restaurant Receivables; (ii) a reserve adequacy analysis for the Restaurant Receivable portfolio; (iii) a trial balance of the Borrower's and each of its Subsidiaries' accounts payable prepared in a manner reasonably acceptable to the Lender and showing the name of each party to whom a payable is due and when the amounts due to such party are to be paid; (iv) CAP Report Finance reports substantially in the form as Exhibit 1.17; (v) copies of monthly statements from all Collecting Banks at which the Borrower maintains an account during such month; and (vi) a reconciliation of the Borrower's Restaurant Receivables to the amounts shown on the Borrower's books. On an annual basis, Borrower shall provide Lender with a schedule of Inventory owned by the Borrower or any of its Subsidiaries and in the Borrower's or its Subsidiary's possession or otherwise, by location, valued at the lesser of cost, determined on a first-in, first-out basis, or market, and adjusted for such

reserves as the Lender has previously indicated to the Borrower that it deems appropriate and including a report of any variances or other results of inventory counts performed by the Borrower since the date of the last such report.

(g) Personal Financial Statements. Within thirty (30) days after the end of each Fiscal Year or otherwise on the request of Lender, in form and substance satisfactory to Lender in its sole discretion, a then current Personal Financial Statement of Lee G. Suckow.

(h) Environmental Notices. As soon as possible and in any event within ten (10) days after receipt by the Borrower, a copy of (i) any notice or claim to the effect that the Borrower is or may be liable to any Person as a result of the release by the Borrower or any other Person of any toxic or hazardous waste or substance into the environment, and (ii) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower.

(i) Shareholder Reports. Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

(j) Condemnation or Insurance Notices. Borrower shall immediately give written notice to Lender of any notice it receives with respect to any insurance claims arising out of damages or loss to any of the Collateral or receipt of any notice of the exercise of the right of eminent domain or condemnation by any Person with respect to any of the Collateral.

(k) Other. Such other information (including non-financial information) as the Lender may from time to time reasonably request.

7.2 Use of Proceeds. The Borrower will use the proceeds of the Advances and the Letters of Credit for general corporate purposes. The Borrower will not use either directly or indirectly any of the proceeds of the Advances or Letters of Credit to purchase or carry any "margin stock" (as defined in Regulation U).

7.3 Notice of Default. The Borrower will give prompt notice in writing to the Lender of the occurrence of any Default or Event of Default and of any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

7.4 Conduct of Business. The Borrower will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

7.5 Taxes. The Borrower, its Affiliates and each of its Subsidiaries and each Guarantor will timely file complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits, Property or Inventory, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP, and about which, Lender has been notified in writing.

7.6 Insurance. The Borrower will maintain with financially sound and reputable insurance companies insurance on all its Property in such amounts and covering such risks as is consistent with sound business practice, and the Borrower will furnish to any Lender upon request full information as to the insurance carried. The Borrower shall deliver to the Lender the original (or certified copy) of each policy of insurance, or a certificate of insurance, and evidence of payment of all premiums for such policy. Such policies of insurance (except those of public liability) shall contain a standard form lender's loss payable clause, in form and substance acceptable to the Lender, showing loss payable to the Lender, and shall provide that: (i) the insurance companies will give the Lender at least thirty (30) days written notice before any such policy or policies of insurance shall be altered or canceled; and (ii) no act or default of the Borrower or any other Person shall effect the right of the Lender to recover under such policy or policies of insurance in case of loss or damage. The Borrower hereby directs all insurers under such policies of insurance (except those of public liability) to pay all proceeds payable thereunder directly to the Lender and hereby authorizes the Lender to make, settle and adjust claims under such policies of insurance and endorse the name of the Borrower on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance.

Unless the Borrower provides the Lender with evidence of the insurance coverage required by this Agreement, the Lender may purchase insurance at the Borrower's expense and protect the Lender's interests in the Collateral. This insurance may, but need not, protect the Borrower's interests. The coverage that the Lender purchases may not pay any claim that the Borrower makes or any claim that is made against the Borrower in connection with the Collateral. The Borrower may later cancel any insurance purchased by the Lender, but only after providing the Lender with evidence that the Borrower has obtained insurance as required by this Agreement. If the Lender purchases insurance for the Collateral, the Borrower will be responsible for the costs of that insurance, including interest and other charges the Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Borrower's total outstanding balance or obligation. The costs of the insurance may be more than the cost of the insurance the Borrower is able to obtain on its own.

7.7 Compliance with Laws. The Borrower will comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including all Environmental Laws.

7.8 Maintenance of Properties. The Borrower will do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times.

7.9 Inspection. The Borrower will permit the Lender, by its representatives and agents, to inspect any of the Property, books and financial records of the Borrower, to examine and make copies of the books of accounts and other financial records of the Borrower, to make such verifications concerning the Collateral as the Lender may consider reasonable under the circumstances, and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, their respective officers at such reasonable times and intervals as the Lender may designate.

7.10 Restricted Payments. Neither Borrower nor any Subsidiary will make or permit any Restricted Payment, except (a) payment of compensation to the Executive Officers of Borrower and its Subsidiaries, collectively, including any payments pursuant to any Stock Appreciation Agreement, in an amount not to exceed One Million One Hundred Thousand and No/100 Dollars (\$1,100,000) in any Fiscal Year; (b) a payment of principal under any of the Subordinated Debt, following thirty (30) days written notice to Lender in advance of such payment together with a certificate to Lender by an Authorized Officer to the effect that on each day of the ninety (90) days preceding such payment, and *pro forma* on the day of such payment, Availability was at least Five Hundred Thousand and No/100 Dollars (\$500,000) on such day, after giving effect to such payment as if it was made on such day; provided, that in case of a payment pursuant to Section 7.10(b), no Default or Event of Default has occurred and is continuing or would result after giving effect to all Restricted Payments and Borrower has maintained the Financial Covenants set forth in Section 7.27 on the day such Restricted Payment is made after giving effect to all Restricted Payments; (c) payments to Borrower's shareholders in an amount not to exceed fifty percent (50%) of Borrower's taxable net income in such Fiscal Year; (d) payments to any Person, other than an Executive Officer, required under any Stock Appreciation Agreement; and (e) within thirty (30) days of the Closing Date, a one time distribution by Borrower to its shareholders of cash and negotiable instruments as described on Exhibit 7.10(e).

7.11 Indebtedness. Neither the Borrower nor any of its Subsidiaries, individually or collectively, will create, incur or suffer to exist any Indebtedness, except:

- (a) The Loans and the Letters of Credit.
- (b) Indebtedness existing on the date hereof described in Exhibit 6.27 and any refinancing of such Indebtedness in an amount equal to or less than such Indebtedness and on similar terms and conditions to such Indebtedness ("Refinanced Indebtedness"); provided, however, that the owner and holder of any such Refinanced Indebtedness

executes and delivers to Lender an Intercreditor and Subordination Agreement.

- (c) Indebtedness in an amount not to exceed Five Hundred Thousand and no/100 Dollars (\$500,000), provided that the owner and holder of any such Indebtedness executes and delivers to Lender an Intercreditor and Subordination Agreement.

7.12 Merger. The Borrower will not merge or consolidate with or into any other Person.

7.13 Sale of Assets. Neither the Borrower nor any of its Subsidiaries will lease, sell or otherwise dispose of its Property to any other Person, except:

- (a) Sales of Inventory in the ordinary course of business.

- (b) Leases, sales or other dispositions of its Property that, together with all other Property of the Borrower previously leased, sold or disposed of (other than inventory in the ordinary course of business) as permitted by this Section during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs, do not constitute a Substantial Portion of the Property of the Borrower.

7.14 Investments and Acquisitions. Neither the Borrower nor any of its Subsidiaries will make or suffer to exist any Investments, or commitments therefor, or to create any Subsidiary or to become or remain a partner in any partnership or joint venture or make any Acquisitions; provided, however, Borrower, but not its Subsidiaries, may undertake any of the following Investments, provided that no Default or Event of Default has occurred and is continuing at the time of such Investment or would result after giving effect to such Investment: (a) Investments up to a maximum amount per calendar year of Five Hundred Thousand and no/100 Dollars (\$500,000) in its Subsidiary; and (b) Cash Equivalent Investments.

7.15 Liens. Neither the Borrower nor any of its Subsidiaries will pledge or grant a security interest in, or create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower, except:

- (a) Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty.

- (b) Liens imposed by law, such as carrier, warehousemen and mechanics' and other similar liens arising in the ordinary course of business which secure payment of obligations not more than sixty (60) days past due.

(c) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation.

(d) Utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower.

(e) Liens existing on the date hereof and described in Exhibit 7.15(e).

(f) Liens in favor of the Lender, granted pursuant to this Agreement or any Loan Document.

7.16 Capital Expenditures. The Borrower will not expend, or be committed to expend, on a consolidated basis, in excess of Four Hundred Thousand and No/100 Dollars (\$400,000) for Capital Expenditures net of the proceeds from any sale of fixed assets in Borrower's normal course of business, during any one Fiscal Year on a non-cumulative basis in the aggregate for the Borrower.

7.17 Rentals. The Borrower will not permit the aggregate amount of all rental payments under Operating Leases made (or scheduled to be made) by the Borrower to exceed Four Hundred Fifty Thousand and no/100 Dollars (\$450,000) in any Fiscal Year.

7.18 Affiliates. Other than as expressly authorized under Sections 7.11 and 7.15, the Borrower will not enter into any transaction (including the purchase or sale of any Property or service and the making of any loans to, or the payment of bonuses, fees, or other money) with, or make any payment or transfer to, any Affiliate.

7.19 Amendments to Agreements. The Borrower will not amend or terminate its certificate or articles of incorporation or by-laws.

7.20 Supplemental Disclosure. At any time that the Borrower shall determine or at the request of the Lender (in the event that such information is not otherwise delivered by the Borrower to the Lender, but not more frequently than every Fiscal Quarter), the Borrower shall supplement each disclosure schedule under Articles VI and VII with respect to any matter hereafter arising which, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in such schedule or as an exception to such representation or which is necessary to correct any information in such schedule or representation which has been rendered inaccurate in any material respect thereby; provided, however, that such supplemental disclosure shall not be or be deemed a waiver of any Default or Event of Default disclosed therein or of any misrepresentation made prior to such time.

7.21 Continuous Perfection. In furtherance of and without limiting the scope of the covenants contained in this Agreement, neither the Borrower or any Subsidiary shall, without Lender's consent, change its name or organizational structure.

7.22 Appraisals. Upon the occurrence and continuance of an Event of Default, the Borrower shall, at its sole cost and expense, provide the Lender, within ninety (90) days of Lender's request, with appraisals or updates thereof of any or all of the Collateral, from an appraiser reasonably satisfactory to the Lender.

7.23 Sale of Accounts. The Borrower will not sell or otherwise dispose of any Restaurant Receivables or Accounts, with or without recourse.

7.24 Contingent Obligations. The Borrower will not make or suffer to exist any Contingent Obligation, except by endorsement of instruments for deposit or collection in the ordinary course of business.

7.25 Fiscal Year. The Borrower shall not change its Fiscal Year.

7.26 Non-permissible Extension of Credit.

(a) Borrower shall not extend any credit, nor shall any credit extended by Borrower exist at any time, directly or indirectly, to any of the "Ten Largest Obligor" if the aggregate amount of Indebtedness to Borrower of all of the "Ten Largest Obligor" exceeds twenty five percent (25%) of all Restaurant Receivables. "Ten Largest Obligor" means each Obligor whose collective Indebtedness to Borrower is among the ten largest in amount of all Obligor, excluding those Obligor listed on Exhibit 7.26.

(b) Borrower shall not extend any credit to any Obligor of a Restaurant Receivable, directly or indirectly, nor shall any such credit extended by Borrower exist at any time, except to those Obligor listed on Exhibit 7.26, which exceeds (i) Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000) or (ii) five percent (5%) of the aggregate of all Restaurant Receivables. Notwithstanding the foregoing, Borrower may extend credit to Cameron Mitchell Restaurants, LLC in an aggregate unpaid amount not to exceed One Million Five Hundred Thousand and No/100 (\$1,500,000).

(c) Borrower shall not increase the amount of any credit to those Obligor listed on Exhibit 7.26(c), directly or indirectly, nor shall any such credit extended by Borrower exist at any time, which exceeds the respective amounts identified on Exhibit 7.26(c).

7.27 Financial Covenants.

7.27.1 Adjusted Tangible Net Worth. Adjusted Tangible Net Worth shall not at any time be less than the sum of (a) Five Million Seven Hundred Fifty Thousand and No/100 Dollars (\$5,750,000) plus (b) on a cumulative income tax basis, fifty percent (50%) of positive Net Income for each Fiscal Quarter, as estimated by Borrower's Chief Financial Officer, beginning with the Fiscal Quarter ending March 31, 2004, and adjusted annually based on actual tax return amounts.

7.27.2 Total Debt Service Coverage Ratio. The Borrower shall maintain, as of the end of each Fiscal Quarter, measured on a trailing twelve-month calendar basis and commencing with the Fiscal Quarter ending December 31, 2003, a minimum Total Debt Service Coverage Ratio of not less than 1.50 to 1.00. For purpose of this measurement, the calculation of Free Cash Flow by Lender, shall include the operations of Borrower and its Subsidiaries.

7.27.3 Senior Debt Service Coverage Ratio. The Borrower shall maintain, as of the end of each Fiscal Quarter, measured on a trailing twelve-month basis and commencing with the Fiscal Quarter ending December 31, 2003, a Senior Debt Service Coverage Ratio of not less than 1.75 to 1.00. For purpose of this measurement, the calculation of Free Cash Flow by Lender, shall include only the operations of Borrower and not its Subsidiaries.

7.28 Intercreditor and Subordination Agreements. Within thirty (30) days after the Closing Date, Borrower shall deliver, to Lender, Intercreditor and Subordination Agreements executed by the owners and holders of all Subordinated Debt.

7.29 Cash Management Systems. Borrower shall transfer, or cause to be transferred, all of its accounts located at financial institutions other than MB, within one hundred twenty (120) days of the Closing Date; provided, however, that Borrower shall have an additional ninety (90) days to transfer those accounts to which payments are received from Diner's Club.

ARTICLE VIII

EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall constitute an Event of Default:

8.1 Representation or Warranty. Any representation or warranty made or deemed made by or on behalf of the Borrower to the Lender under or in connection with this Agreement, any Loan, any Letter of Credit, or any certificate or information delivered in connection with this

Agreement or any other Loan Document shall be false, inaccurate, untrue, incorrect or incomplete on the date as of which made.

8.2 Non-Payment. Nonpayment of principal of any Advance when due, or nonpayment of interest upon any Advance or of any reimbursement obligation with respect to any Letter of Credit, commitment fee or other Obligations under any of the Loan Documents within five (5) days after the same becomes due.

8.3 Material Adverse Effect. The occurrence of any events or developments, financial or otherwise, which, in Lender's sole opinion, could reasonably be expected to have a Material Adverse Effect.

8.4 Other Defaults. The breach or default by the Borrower of any of the terms or provisions of this Agreement (other than a breach or default which constitutes an Event of Default under another Section of this Article VIII) which is not remedied within five (5) Business Days after written notice from the Lender.

8.5 Cross-Default. Failure of the Borrower or any Guarantor to pay when due any Indebtedness aggregating in excess of One Hundred Thousand and no/100 Dollars (\$100,000) ("Material Indebtedness"); or the default by the Borrower or any Guarantor in the performance (beyond the applicable grace period with respect thereto, if any) of any term, provision or condition contained in any agreement under which any such Material Indebtedness was created or is governed, or any other event shall occur or condition exist, the effect of which default or event is to cause, or to permit the holder or holders of such Material Indebtedness to cause, such Material Indebtedness to become due prior to its stated maturity; or any Material Indebtedness of the Borrower or any Guarantor shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof; or the Borrower or any Guarantor shall not pay, or admit in writing its inability to pay, any of its Debts as they become due.

8.6 Insolvency; Voluntary Proceedings. The Borrower or any Guarantor shall (a) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (b) make an assignment for the benefit of creditors, (c) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (d) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (e) take any corporate, limited liability company or partnership action to authorize or effect any of the foregoing actions set forth in this Section 8.6 or (f) fail to contest in good faith any appointment or proceeding described in Section 8.7.

8.7 Involuntary Proceedings. Without the application, approval or consent of the Borrower, or any Guarantor a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any Guarantor or any Substantial Portion of the Property or any such Person, or a proceeding described in Section 8.6(d) shall be instituted against the Borrower or any Guarantor and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) consecutive days.

8.8 Condemnation; Seizure. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower or any Guarantor which, when taken together with all other Property of the Borrower or such Guarantor so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

8.9 Judgments. The Borrower shall fail within thirty (30) days to pay, bond or otherwise discharge one or more (a) judgments or orders for the payment of money in excess of Fifty Thousand and no/100 Dollars (\$50,000) (or the equivalent thereof in currencies other than U.S. Dollars) in the aggregate, or (b) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith.

8.10 Environmental Proceeding or Investigation. The Borrower shall (a) be the subject of any proceeding or investigation pertaining to the release by the Borrower or any other Person of any toxic or hazardous waste or substance into the environment, or (b) violate any Environmental Law, which, in the case of an event described in clause (a) or clause (b), could reasonably be expected to have a Material Adverse Effect.

8.11 Change in Control. Any Change in Control shall occur.

8.12 Change in Executive Officers. (a) The death of Lee G. Suckow; (b) the resignation or removal of Lee G. Suckow as Chief Executive Officer of Borrower; or (c) the death, resignation or removal of Edward W. ("Skip") Landon as Chief Financial Officer of Borrower, unless, within sixty (60) days thereafter, a Person acceptable to Lender, in its sole discretion, is appointed Chief Financial Officer of Borrower.

8.13 Default under Loan Document. The occurrence of any "default", as defined in any Loan Document (other than this Agreement) or the breach of any of the terms or provisions of any Loan Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided.

8.14 Guaranty. Any Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of such Guaranty, or any Guarantor shall fail to comply with any of the terms or provisions of the Guaranty, or any

Guarantor shall deny that it has any further liability under any Guaranty, or shall give notice to such effect, or any Guaranty is for any reason partially or wholly revoked or invalidated.

ARTICLE IX

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

9.1 Remedies.

(a) Acceleration. If any Event of Default described in Section 8.6 or 8.7 occurs with respect to the Borrower or any Guarantor, the obligations of the Lender and the Issuing Bank to make Loans and issue Letters of Credit hereunder shall automatically terminate, the Obligations shall immediately become due and payable without any election or action on the part of the Lender and the Borrower shall become immediately obligated to Cash Collateralize all Letters of Credit. If any other Event of Default occurs, the Lender may terminate or suspend its obligations to make Loans hereunder, or declare the Obligations to be due and payable and/or demand that the Borrower immediately Cash Collateralize all Letters of Credit, or any of the foregoing, whereupon all Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives.

(b) Possession of Collateral. If any Event of Default shall have occurred and be continuing, then and in every such case, subject to any mandatory requirements of applicable law then in effect, the Lender may:

(i) personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from the Borrower or any other Person who then has possession of any part thereof with or without notice or process of law (unless the same shall be required by applicable law), and for that purpose may enter in an orderly and lawful manner upon the Borrower's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Borrower;

(ii) instruct the Obligor or Obligors on any contract, agreement, instrument or other obligation (including the Restaurant Receivables) constituting the Collateral to make any payment required by the terms of such instrument or agreement directly to the Lender;

(iii) sell or otherwise liquidate, or direct the Borrower or any of its Subsidiaries to sell or otherwise liquidate, any or all investments made in whole or in part with the Collateral or any part thereof, and take possession of the proceeds of any such sale or liquidation;

(iv) take possession of the Collateral or any part thereof, by directing the Borrower in writing to deliver the same to the Lender, at any reasonable place or places designated by the Lender, in which event the Borrower shall at its own expense:

(A) forthwith cause the same to be moved to the place or places so designated by the Lender and there delivered to the Lender;

(B) store and keep any Collateral so delivered to the Lender of the Lender, at such place or places pending further action by the Lender; and

(C) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

it being understood that the Borrower's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Lender, shall be entitled to a decree requiring specific performance by the Borrower of said obligation.

(c) Disposition of the Collateral.

(i) Any Collateral repossessed by the Lender, under or pursuant to Section 9.1(b) hereof and any other Collateral whether or not so repossessed by the Lender, upon the occurrence and during the continuance of an Event of Default may be sold, leased or otherwise disposed of under one or more contracts or as an entirety and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms and for such prices as the Lender may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Upon the occurrence and during the continuance of any Event of Default, the Lender, shall have the power to foreclose the Borrower's right of redemption in the Collateral by sale, lease or other disposition of the Collateral in accordance with the Uniform Commercial Code as enacted in each state where the Collateral is located. Any of the Collateral may be sold, leased or otherwise disposed of in the condition in which the same existed when taken by the Lender, or after any overhaul or repair which the Lender shall determine to be commercially reasonable and the Lender shall be entitled to reimbursement for the payment of any costs or expenses of such overhaul or repair. Any such disposition which shall be a private sale or other private proceeding permitted by the requirements of applicable law shall

be made after written notice to the Borrower specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor. Any such disposition which shall be a public sale permitted by such requirements of applicable law shall be made after written notice to the Borrower specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction. To the extent permitted by any such requirement of law, the Lender, may itself bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section 9.1(c) without accountability to the Borrower. In the payment of the purchase price of the Collateral the purchaser shall be entitled to have credit on account of the purchase price thereof of amounts owing to such purchaser on account of any of the Obligations held by such purchaser and any such purchaser may deliver notes, claims for interest, or claims for other payment with respect to such Obligations in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. Such notes, if the amount payable hereunder shall be less than the amount due thereon, shall be returned to the holder thereof after being appropriately stamped to show partial payment. If, under mandatory requirements of applicable law, the Lender, shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to the Borrower as hereinabove specified, the Lender need give the Borrower only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(ii) No notification need be given to the Borrower if it has signed, after a Default or Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition. In addition to the rights and remedies granted to it in this Agreement, the Lender, shall have all the rights and remedies of a secured party under the UCC.

9.2 Preservation of Rights. No delay or omission of the Lender to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Event of Default or an acquiescence therein, and the making of a Loan or the issuance of a Letter of Credit notwithstanding the existence of an Event of Default or the inability of the Borrower to satisfy the conditions precedent to such Loan shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lender, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Lender until the Obligations have been paid in full.

ARTICLE X

GENERAL PROVISIONS

10.1 Survival of Representations. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Loans and the issuance of the Letters of Credit herein contemplated.

10.2 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, Lender shall not be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

10.3 Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

10.4 Entire Agreement; Amendment. The Loan Documents embody the entire agreement and understanding between the Borrower and the Lender and supersedes all prior agreements and understandings between the Borrower and the Lender relating to the subject matter thereof. Unless otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement nor consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Lender.

10.5 Expenses; Indemnification. (a) The Borrower shall reimburse the Lender for any costs, internal charges and out-of-pocket expenses (including reasonable attorneys' fees and time charges of attorneys for the Lender, which attorneys may be employees of the Lender) and which paid or incurred by the Lender in connection with the preparation, negotiation, execution, delivery, syndication, review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse the Lender for any costs, internal charges and out-of-pocket expenses (including reasonable attorneys' fees and time charges of attorneys for the Lender, which attorneys may be employees of the Lender) paid or incurred by the Lender in connection with the collection and enforcement of the Loan Documents.

(b) The Borrower hereby further agrees to indemnify the Lender, its Affiliates, and each of their respective directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including all expenses of litigation or preparation therefor whether or not the Lender or any of its Affiliates is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Loan or Letter of Credit hereunder except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party seeking indemnification. The obligations of the Borrower under this Section 10.5 shall survive the termination of this Agreement.

10.6 Accounting. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

10.7 Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

10.8 Nonliability of Lender. The relationship between the Borrower on the one hand and the Lender on the other hand shall be solely that of borrower and lender. The Lender shall not have any fiduciary responsibilities to the Borrower. The Lender does not undertake any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. The Borrower agrees that Lender shall not have liability to the Borrower (whether sounding in tort, contract or otherwise) for losses suffered by the Borrower in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the Lender. The Lender shall not have any liability with respect to, and the Borrower hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages suffered by the Borrower in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

10.9 Confidentiality. Lender may disclose any confidential information which it may receive from the Borrower or Borrower's Affiliates pursuant to this Agreement to (a) its Affiliates, (b) legal counsel, accountants, and other professional advisors to Lender or to a Transferee, (c) regulatory officials, (d) any Person as requested pursuant to or as required by law, regulation, or legal process, (e) any Person in connection with any legal proceeding to which Lender is a party, (f) Lender's direct or indirect contractual counterparties in swap agreements or to legal counsel, accountants and other professional advisors to such counterparties, and (g) any Person permitted by Section 12.4.

10.10 Nonreliance. Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System) for the repayment of the Loans or other Obligations provided for herein.

10.11 Disclosure. The Borrower and Lender hereby acknowledge and agree that MB and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with the Borrower and its Affiliates.

ARTICLE XI

SETOFF; RATABLE PAYMENTS

11.1 Setoff. In addition to, and without limitation of, any rights of the Lender under applicable law, if the Borrower becomes insolvent, however evidenced, or any Event of Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by Lender or any Affiliate of Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to Lender, whether or not the Obligations, or any part thereof, shall then be due.

ARTICLE XII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns, except that (a) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents and (b) any assignment by any Lender must be made in compliance with Section 12.3. The parties to this Agreement acknowledge that clause (b) of this Section 12.1 relates only to absolute assignments and does not prohibit assignments creating security interests, including any pledge or assignment by Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank; provided, however, that no such pledge or assignment creating a security interest shall release the Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section 12.3. Any assignee of the rights to any Loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such Loan.

12.2 Participations.

12.2.1 Permitted Participants; Effect. Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan or Letter of Credit owing to Lender, any Note held by Lender, any Commitment Amount of Lender or any other interest of Lender under the Loan Documents. In the event of any such sale by Lender of participating interests to a Participant, Lender's obligations under the Loan Documents shall remain unchanged, Lender shall remain solely responsible for the performance of its obligations, Lender shall remain the owner of its Loans and interests in Letters of Credit and the holder of the Note issued to it in evidence thereof for all purposes under the Loan

Documents, all amounts payable by the Borrower under this Agreement shall be determined as if Lender had not sold such participating interests, and the Borrower shall continue to deal solely and directly with Lender in connection with such Lender's rights and obligations under the Loan Documents.

12.2.2 Benefit of Setoff. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as Lender under the Loan Documents, provided that Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lender agrees to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared as if each Participant were a Lender.

12.3 Assignments.

12.3.1 Permitted Assignments. Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities ("Purchasers") all or any part of its rights and obligations under the Loan Documents.

12.3.2 Effect; Effective Date. Any such assignment shall become effective on the effective date specified in such assignment. Such assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment Amount, Loans and Letter of Credit or participation interests under the applicable assignment agreement, constitutes "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a party to this Agreement and any other Loan Document executed by or on behalf of the Lender and shall have all the rights and obligations of Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower shall be required to release the transferor Lender with respect to the percentage of the Commitment Amount and Loans assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 12.3, the transferor Lender and the Borrower shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

12.4 Dissemination of Information. The Borrower authorizes Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in Lender's possession concerning the creditworthiness of the Borrower, provided that each Transferee and prospective Transferee agrees to be bound by Section 10.9 of this Agreement.

ARTICLE XIII

NOTICES

13.1 Notices. Except as otherwise permitted by Section 2.8 with respect to Borrowing Notices, all notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party: (a) at its address or facsimile number set forth on the signature pages hereof or (b) in the case of any party, at such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Lender in accordance with the provisions of this Section 13.1. Each such notice, request or other communication shall be effective (i) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered (or, in the case of electronic transmission, received) at the address specified in this Agreement; provided that notices to the Lender under Article II shall not be effective until received.

13.2 Change of Address. The Borrower and Lender may each change the address for service of notice upon it by giving a notice in writing to the other parties hereto.

ARTICLE XIV

COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower and the Lender.

ARTICLE XV

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

15.1 CHOICE OF LAW. THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING 735

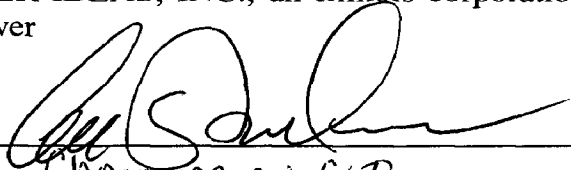
ILCS SECTION 105/5-1 ET SEQ, BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

15.2 CONSENT TO JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE LENDER OR ANY AFFILIATE OF LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS.

15.3 WAIVER OF JURY TRIAL. THE BORROWER, THE LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

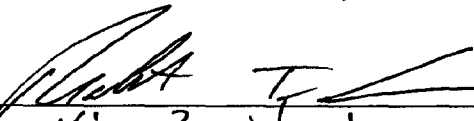
IN WITNESS WHEREOF, the Borrower and the Lender have executed this Agreement as of the date first above written.

CLEVER IDEAS, INC., an Illinois corporation, as
Borrower

By: 
Title: Chairman & CEO

Address: 180 North Stetson, Suite 5300
Chicago, IL 60601
Telephone: 312-819-4201
Facsimile: 312-616-1045

MB FINANCIAL BANK N.A., as Lender

By: 
Title: Vice President

Address: 1200 North Ashland Avenue
Chicago, IL 60622
Telephone: 773-328-7437
Facsimile: 773-489-4058

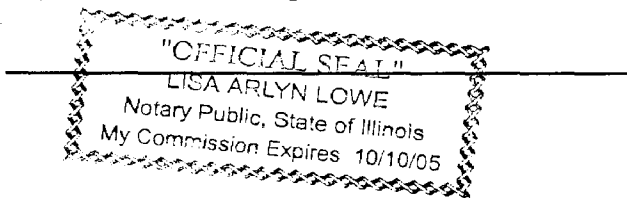
STATE OF ILLINOIS)
)
COUNTY OF Cook) SS.

I, Lisa Arlyn Lowe, a Notary Public in and for said County, in the State aforesaid,
DO HEREBY CERTIFY, that Lee G. Suckow, Chairman of Clever Ideas, Inc., an Illinois
corporation, appeared before me this day in person and acknowledged that he signed and
delivered the said instrument as his free and voluntary act and as the free and voluntary act of
said corporation for the uses and purposes therein set forth.

Witness my hand and seal this 21 day of January, 2004.

Lisa Arlyn Lowe
Notary Public

My Commission Expires:



STATE OF ILLINOIS)
)
COUNTY OF Cook)
) SS.

I, Lisa Arlyn Lowe, a Notary Public in and for said County, in the State aforesaid,
DO HEREBY CERTIFY, that _____, Vice President of MB Financial Bank, N.A.,
appeared before me this day in person and acknowledged that he signed and delivered the said
instrument as his free and voluntary act and as the free and voluntary act of said corporation for
the uses and purposes therein set forth.

Witness my hand and seal this 21 day of January, 2004.

Lisa Arlyn Lowe
Notary Public

My Commission Expires:

