

**CROSS-COLLATERALIZATION  
AND CROSS-DEFAULT AGREEMENT**

**THIS CROSS-COLLATERALIZATION AND CROSS-DEFAULT AGREEMENT** (this "Agreement") is made and entered into as of this 31st day of March, 1995, by and among the following parties. **PORTILLO'S HOT DOGS, INC.**, a Delaware corporation ("PHD"), **RICHARD J. PORTILLO** and **SHARON PORTILLO** (jointly, the "Portillos"), **PORTILLO'S FOOD SERVICE, INC.**, an Illinois corporation ("PFS"), and **BARNEY'S BAR-B-Q, INC.**, an Illinois corporation ("Barney's") (collectively, the "Portillo's Group"), for the benefit of **NBD BANK**, an Illinois banking corporation ("Lender").

**RECITALS:**

A. Lender has made a credit facility available to certain members of the Portillo's Group (collectively, the "Portillo's Loans") in the original aggregate principal amount of \$18,000,000 pursuant to the terms and conditions of that certain Loan Agreement dated as of June 20, 1994 (the "Portillo's Loan Agreement"), among the Portillo's Group and Lender. The Portillo's Loans are evidenced by the Notes described in the Portillo's Loan Agreement (collectively, the "Portillo's Notes") and are secured by first liens and security interests against all of the assets of PHD and PFS and certain assets of the Portillos pertaining to the operation of the businesses of PHD, PFS and Barney's (including, without limitation, the liens against the property legally described on Exhibit A attached hereto created by those certain Mortgages dated as of June 20, 1994 (the "Portillo's Mortgages"), made by PHD, PFS and the Portillos) (the Portillo's Notes, the Portillo's Loan Agreement, the Portillo's Mortgages and the other documents creating such liens and security interests, together with all other documents or agreements delivered to Lender to induce Lender to make the Portillo's Loans, as the same are amended or otherwise modified from time to time, are hereinafter referred to collectively as the "Portillo's Loan Documents").

B. Concurrently herewith, Lender is making a loan (the "C & O Loan") to C & O Chicago, L.L.C., an Illinois limited liability company ("C & O") in the original principal amount of \$3,200,000 pursuant to the terms and conditions of a certain Loan Agreement of even date herewith (the "C & O Loan Agreement") between C & O and Lender. The C & O Loan is evidenced by the Notes (this and all other capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the C & O Loan Agreement). Repayment of the Notes is secured by the Loan Documents.

C. In order to induce Lender to make the C & O Loan, the Portillo's Group has agreed to cause the repayment of the C & O Loan to be secured by liens created by the Portillo's Loan Documents on the terms and conditions set forth below.

**NOW, THEREFORE**, in order to induce Lender to make the C & O Loan, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

75-22-412 CW

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Property of Cook County Clerk's Office

DEPT-01 RECORDING  
140012 TRAN 3530 04/12/95 09:50:00 \$49.00  
#7836 # JH \*-95-244268  
COOK COUNTY RECORDER

# UNOFFICIAL COPY

1. **Incorporation of Recitals.** The Recitals set forth above are hereby incorporated by this reference herein and made a part hereof.

2. **Additional Collateral for the C & O Loan.** All of the collateral encumbered by the security interests created by the Portillo's Mortgages and the other Portillo's Loan Documents shall additionally secure repayment of the C & O Loan, and, accordingly, each member of the Portillo's Group hereby grants to Lender as additional security for the repayment of the C & O Loan all of the security interests granted to Lender under the Portillo's Mortgages and the other Portillo's Loan Documents (subject and subordinate only to (i) the first and prior liens of Lender under the Portillo's Loan Documents, and (ii) such other exceptions, if any, as are permitted under the terms of the Portillo's Loan Documents).

3. **Cross Defaults: Integration of Loan Documents.**

(a) Any Event of Default under the Notes or the other Loan Documents shall, at Lender's election, be deemed a default under the Portillo's Notes and the other Portillo's Loan Documents.

(b) It is the intent of the parties hereto that the additional liens created hereby shall be subject and subordinate to the existing security interests of Lender in the collateral described in the Portillo's Loan Documents and that nothing herein shall be deemed to merge the Portillo's Loan or the Portillo's Loan Documents with the C & O Loan or the Loan Documents. The parties hereto intend that if the Portillo's Loan shall be retired prior to the retirement of the C & O Loan, the liens and security interests created hereby to secure the C & O Loan shall continue in full force and effect and shall advance in priority.

4. **Confirmatory Documents.** The Portillo's Group shall execute such confirmatory documents as Lender may reasonably request in order to implement the purpose and intent of this Agreement.

5. **Notices.** Any notices required or permitted hereunder may be given in accordance with the notice provisions of the Portillo's Loan Documents.

6. **Continuing Effectiveness.** Except as expressly provided herein, the Portillo's Note and the other Portillo's Loan Documents and the Notes and the other Loan Documents shall remain in full force and effect in accordance with their respective terms.

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IN WITNESS WHEREOF, the parties have executed this Agreement the day and date first above written.

**PORTILLO'S HOT DOGS, INC.**, a Delaware corporation

By: *Richard Portillo*  
Title: President

**PORTILLO'S FOOD SERVICE, INC.**, an Illinois corporation

By: *Richard Portillo*  
Title: President

**BARNEY'S BAR-B-Q, INC.**, an Illinois corporation

By: *Richard Portillo*  
Title: President

*Richard Portillo*  
**RICHARD PORTILLO**

*Sharon Portillo*  
**SHARON PORTILLO**

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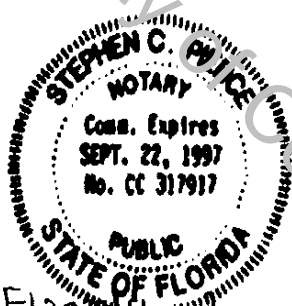
PREPARED BY AND MAIL TO:  
MARTIN I BEHN  
SCHWARTZ COOPER GREENBERGER  
180 N. LA SALLE ST., STE. 2700  
CHICAGO IL 60601

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STATE OF Florida )  
 ) SS  
COUNTY OF Collier )

I, Stephen C. Pierce, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Richard Portillo, the President of PORTILLO'S FOOD SERVICE, INC. (the "Corporation"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such \_\_\_\_\_, appeared before me this day in person and acknowledged that he signed and delivered the said instrument pursuant to authority given by the Board of Directors of the Corporations as his own free and voluntary act and as the free and voluntary act of the Corporations, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3rd day of April, 1995.



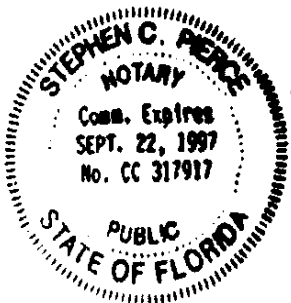
Stephen C. Pierce  
Notary Public

(SEAL)

STATE OF Florida )  
 ) SS  
COUNTY OF Collier )

I, Stephen C. Pierce, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Richard Portillo, the President of PORTILLO'S HOT DOGS, INC. (the "Corporation"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such \_\_\_\_\_, appeared before me this day in person and acknowledged that he signed and delivered the said instrument pursuant to authority given by the Board of Directors of the Corporations as his own free and voluntary act and as the free and voluntary act of the Corporations, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3rd day of April, 1995.



Stephen C. Pierce  
Notary Public

(SEAL)

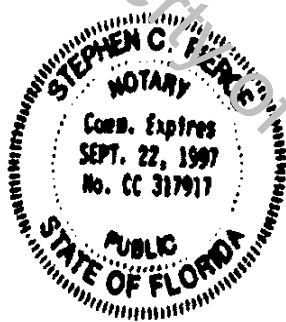
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STATE OF Florida )  
 ) SS  
COUNTY OF Collier )

I, Stephen C. Pierce, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Richard Portillo, the President of BARNEY'S BAR-B-Q, INC. (the "Corporation"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such \_\_\_\_\_, appeared before me this day in person and acknowledged that he signed and delivered the said instrument pursuant to authority given by the Board of Directors of the Corporations as his own free and voluntary act and as the free and voluntary act of the Corporations, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3rd day of April, 1995.



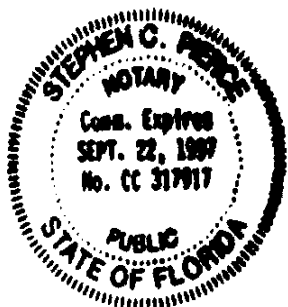
Stephen C. Pierce  
Notary Public

(SEAL)

STATE OF Florida )  
 ) SS.  
COUNTY OF Collier )

I, Stephen C. Pierce, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT RICHARD FORTILLO personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 3rd day of April, 1995.



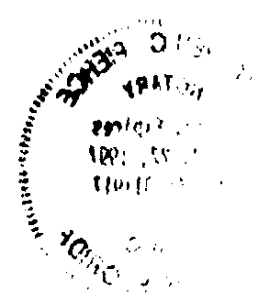
Stephen C. Pierce  
Notary Public

(SEAL)

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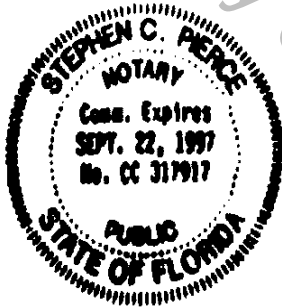
STATE OF Florida)  
) SS.  
COUNTY OF Cook)

I, Stephen C. Pierce, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT SHARON PORTILLO personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 3rd day of April, 1995.

Stephen C. Pierce  
Notary Public

(SEAL)



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## EXHIBIT A

### LIST OF FIRST MORTGAGES

#### Naperville Real Estate:

The Northwesterly 140.0 feet as measured on the Northeasterly line of Forest Road and parallel with the Southeasterly line of Ogden Avenue of the Southwesterly 150.0 feet as measured on the Southeast line of Ogden Avenue and parallel with the Northeast line of Forest Road of Lot 7 in Brummel's Subdivision, being a Subdivision of part of the Southeast quarter of Section 7, Township 38 North, Range 10, East of the Third Principal Meridian, according to the Plat thereof recorded January 19, 1948 as Document 537937, in DuPage County, Illinois.

Lots 1 and 3 in Beidelman's Division of part of Lot 7 in Brummel's Subdivision of part of the Southeast quarter of Section 7, Township 38 North, Range 10, East of the Third Principal Meridian in DuPage County, Illinois.

Common address of property: 950 East Ogden Avenue,  
Naperville, Illinois

P.I.N.: 08-07-407-001  
08-07-407-002  
08-07-407-003

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#### Schaumburg Real Estate:

The North 450 feet of the West 500 feet of the North 1/2 of the North 1/4, lying South of State Route 58 (Golf Road) in Section 14, Township 41 North, Range 10 East of the Third Principal Meridian, in Cook County, Illinois.

Common address of property: 611 East Golf Road, Schaumburg,  
Illinois.

P.I.N.: 07-14-01-006  
07-14-01-007

#### Elk Grove Village Real Estate:

##### PARCEL 1:

Lot 290 in Centex Industrial Park Unit Number 170, being a Subdivision in the North 1/2 of Section 34, Township 41 North, Range 11 East of the Third Principal Meridian, in Cook County, Illinois.

Exhibit "A"

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## EXHIBIT A CON'T.

### PARCEL 2:

The South 10 feet of Lot 346 and all of Lot 347 in Centex Industrial Park Unit Number 170, being a Subdivision in the North 1/2 of Section 34, Township 41 North, Range 11 East of the Third Principal Meridian, in Cook County, Illinois.

Common address of property: 1500 Busse Highway, Elk Grove Village, Illinois.

P.I.N.: 08-34-203-016  
08-34-203-022  
08-34-203-023

### Addison Real Estate:

1. The South 120 feet of the East 180 feet of Lot 3 in DuPage Industrial Annex, being a Subdivision of part of Section 31, Township 40 North, Range 11, East of the Third Principal Meridian, according to the Plat thereof recorded November 19, 1968 as Document R68-54022, in DuPage County, Illinois.

Common address of property: 1759 Armitage Court, Addison, Illinois.

P.I.N.: 03-31-101-009

2. The South 60.0 feet of the North 120.0 feet of the East 180.0 feet (as measured on the North Line thereof) of Lot 3 in DuPage Industrial Annex, being a Subdivision of part of Section 31, Township 40 North, Range 11, East of the Third Principal Meridian, according to the Plat thereof recorded November 19, 1968 as Document R68-54022, in DuPage County, Illinois.

Common address of property: 1751 Armitage Court, Addison, Illinois.

P.I.N.: 03-31-101-008

### Fox Valley Real Estate:

That part of the Southwest Quarter of Section 15, Township 38 North, Range 9 East of the Third Principal Meridian, described as follows:

Commencing at the intersection of the South line of the Southwest Quarter of said Section, and the Easterly right of

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way line of Illinois Route 59 as dedicated per Document No. 312314; thence North 89 degrees 58 minutes 47 seconds east along the South line of said Section, a distance of 22.44 feet; thence North 03 degrees 59 minutes 40 seconds East, a distance of 123.36 feet to the point of beginning; thence North 03 degrees 59 minutes 40 seconds East, a distance of 38.07 feet; thence North 01 degree 07 minutes 55 seconds east, a distance of 206.33 feet; thence Easterly along a curve concave to the South, not tangent to the last described course, having a radius of 676.20 feet, and a chord bearing of South 84 degrees 00 minutes 55 seconds

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## EXHIBIT A CON'T.

east, a chord distance of 351.52 feet, an arc length of 355.60 feet; thence South 20 degrees 35 minutes 03 seconds East, not tangent to the last described course, a distance of 8.50 feet; thence South 24 degrees 24 minutes 26 seconds West, a distance of 52.92 feet to a point of curvature; thence Southerly along a curve to the left, tangent to the last described course, having a radius of 111.60 feet, and an arc length of 45.34 feet to a point of tangency; thence South 01 degree 07 minutes 52 seconds West tangent to the last described course, a distance of 113.90 feet; thence North 88 degrees 52 minutes 08 seconds West, a distance of 325.32 feet to the point of beginning, all in DuPage County, Illinois.

Common address of property: Route 59 and Aurora Avenue

PIN: 07-14-300-009

### Rolling Meadows Real Estate:

Lot 1 (except the East 17 feet as measured at right angles) in 58-62 Venture Subdivision, a Subdivision of part of Sections 8 and 9, Township 41 North, Range 11, East of the Third Principal Meridian, in Cook County, Illinois.

Common address of property: 1900 Golf Road, Rolling Meadows, Illinois.

P.I.N.: 08-08-407-001

### Vernon Hills Real Estate:

That Part of Lot 1 in Continental Executive Parke Resubdivision No. 8, being a resubdivision in the North 1/2 of Section 4, Township 43 North, Range 11, East of The Third Principal Meridian, according to the plat thereof recorded May 2, 1991, as Document 3014686, described as follows: beginning at a point on the Northernmost North Line of said Lot 1, said point being 203.21 feet East of the Westernmost point of tangency of the Northernmost North line of said Lot 1, as measured along said line; thence South 00 degrees 00 minutes 00 seconds East, 392.25 feet; thence South 59 degrees 31 minutes 17 seconds West, 296.69 feet, to a point of intersection with a non-tangent curve, said point also being on the Westerly line of said Lot 1, thence Northerly and Easterly along said line; the following courses; Northwesterly along said non tangent curve to the right,

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having a radius of 267.00 feet, an arc length of 38.89 feet, a chord bearing of North 19 degrees 00 minutes 12 seconds West, and a chord length of 38.85 feet to the curve's end; thence North 14 degrees 49 minutes 50 seconds West, 46.83 feet, to the beginning of a curve; thence Northwesterly along said curve to the right, having a radius of 355.92 feet, an arc length of 92.13 feet, a chord bearing North 07 degrees 24 minutes 55 seconds West, and a chord length of 91.87 feet to the curve's end; thence North 00 degrees 00 minutes 00 seconds East, 279.92 feet to the beginning of a curve; thence Northeasterly along said curve to the right, having a radius of 167.00 feet, an arc length of 53.03 feet, a chord bearing of North 09 degrees 05 minutes 51 seconds east and a chord length of 52.81 feet to a point of compound curvature; thence Northeasterly along said curve to the right, having a radius of 47.00 feet, an arc length of 44.67 feet, a chord bearing of North 45 degrees 25 minutes 22 seconds East and a chord length of 43.01 feet, to a point of compound curvature; thence Easterly along said curve to the right having a radius of 167.00 feet, an arc length of 50.76 feet, a chord bearing of North 81 degrees 21 minutes 28 seconds East and a chord length of 50.56 feet to the Northernmost North line of said Lot 1; thence South 89 degrees 56 minutes 07 seconds East, along said line, 203.21 feet to the point of beginning, in Lake County, Illinois.

Common address of property: ~~1990 Golf Road 221 E. Twinlakes Rd~~  
~~Rolling Meadows, Illinois~~ Vernon Hills, IL

P.I.N.: 08-08-407-001

## Northlake Real Estate:

Lots 28, 29, 30, 31 and 32 in Block 11 in Midland Development Company's Northlake Village Unit Number 6, a Subdivision in the Southeast 1/4 of Section 31, Township 40 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois

Common address of property: 170 W. North Ave. Northlake, Illinois

PIN: 12-31-204-023  
12-31-204-024  
12-31-204-025  
12-31-204-026  
12-31-204-027

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