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 COOK COUNTY RECORDER

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**FOURTH AMENDMENT OF LOAN AGREEMENT
 AND OTHER LOAN DOCUMENTS**

by

**PORTILLO'S HOT DOGS, INC.
 PORTILLO'S FOOD SERVICE, INC.
 BARNEY'S BAR-B-Q, INC.
 RICHARD AND SHARON PORTILLO**

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and

NBD BANK, an Illinois banking corporation

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2-23-96
J. J. [Signature]

**FOURTH AMENDMENT OF LOAN AGREEMENT AND
OTHER LOAN DOCUMENTS**

THIS FOURTH AMENDMENT OF LOAN AGREEMENT AND OTHER LOAN DOCUMENTS ("Amendment") is made as of December __, 1995, by and among 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") (PHD, the Portillos, PFS and Barney's are sometimes hereinafter referred to collectively as the "Obligors") and NBD BANK, an Illinois banking corporation ("Lender").

RECITALS:

A. Lender has made available to certain of the Obligors a credit facility in the maximum aggregate principal amount of \$18,750,000 (collectively, the "Portillo's Loans") pursuant to the terms and conditions of that certain Loan Agreement dated as of June 20, 1994, among the Obligors and Lender (which Loan Agreement established an \$18,000,000 credit facility), as amended by (i) a First Amendment to Loan Agreement dated as of June 20, 1994, (ii) a Second Amendment to Loan Agreement and Other Loan Documents dated as of April 12, 1995 (which Second Amendment increased the amount of the credit facility by \$750,000 in order to fund the acquisition of certain assets by Key Wester Fish & Pasta House, Inc., a Florida corporation ("Key Wester (Florida)"), and (iii) a Third Amendment of Loan Agreement and Other Loan Documents dated as of May 5, 1995 (which Third Amendment added certain property located in Glendale Heights to the property encumbered by Loan Documents (as defined below)) (the "Loan Agreement").

B. The Portillo's Loans are evidenced by the Notes described in the Loan Agreement (such Notes, as amended, are hereinafter referred to collectively as 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 (collectively, the "Collateral").

C. Lender has made a \$3,200,000 loan (the "C & O Loan") to C & O Chicago, L.L.C., an Illinois limited liability company ("C & O"), which has been secured, in part, by second liens in the Collateral granted to Lender by the Obligors pursuant to the terms and conditions of a certain Cross-Collateralization and Cross-Default Agreement dated as of March 31, 1995, among the Obligors and Lender.

D. The repayment of the Portillo's Loans and the C & O Loan is secured by the following documents, each of which is dated as of June 20, 1994 (except as otherwise indicated):

(i) Mortgages made by the Portillos, PHD and PFS for the benefit of Lender against the property described on Exhibit A attached hereto (collectively, the "Property");

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- (ii) Assignments of Rents and Leases made by the Portillos, PHD and PFS for the benefit of Lender;
- (iii) Security Agreement made by the Portillos, PHD and PFS for the benefit of Lender; and
- (iv) Stock Pledge Agreement dated as of April 12, 1995, by Richard Portillo pursuant to which all of the shares of Key Wester (Florida) have been pledged to Lender.

The aforementioned documents, the Loan Agreement, the Portillo's Notes, the Guaranty (as hereinafter defined), the Indemnity Agreement (as hereinafter defined) and the other documents or agreements now or hereafter delivered to Lender to secure or evidence the Portillo's Loans or to otherwise induce Lender to disburse the proceeds of the Portillo's Loans, all as amended or modified, are hereinafter referred to collectively as the "Loan Documents".

E. The Portillos and Barney's have guaranteed repayment of the Portillo's Loans to Lender pursuant to the provisions of a certain Guaranty dated as of June 20, 1994, as amended (the "Guaranty").

F. The Portillos, PHD and PFS have agreed to indemnify Lender for costs pertaining to certain environmental matters pursuant to the provisions of a certain Environmental Indemnity Agreement dated as of June 20, 1994, as amended (the "Indemnity Agreement").

G. A portion of the Portillo's Loans consists of a reducing revolving credit facility in the original maximum principal amount of \$5,000,000 (the "Reducing Revolver") made available by Lender to PHD. The Reducing Revolver is evidenced by a certain Secured Revolving Promissory Note dated as of June 20, 1994 (the "Reducing Revolver Note"), made by PHD to the order of Lender in the original principal amount of \$5,000,000. The maximum permitted outstanding principal amount of the Reducing Revolver as of December 15, 1995 (which permitted amount is reduced by \$41,600 each month) was \$4,292,800.

H. The Obligors have defaulted under the Loan Documents as a result of (i) the failure to achieve the debt service coverage ratio set forth in Section 3.7 of the Loan Agreement as of July 31, 1995, (ii) loans made on or before July 31, 1995, by one or more of the Obligors to Key Wester (Florida) and to C & O in the amounts of \$8,162 and \$879,063 (including accrued and unpaid interest), respectively (collectively, the "Existing Defaults").

I. PHD has requested Lender to (i) increase the current available principal balance of the Reducing Revolver from \$4,292,800 to \$5,292,800, (ii) waive the Existing Defaults. A condition precedent to Lender's consent to such request is execution and delivery of this Amendment.

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NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Obligors and Lender hereby agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are incorporated herein and made a part hereof.

2. Waiver of Existing Defaults. Lender hereby waives the Existing Defaults. The execution and delivery of this Amendment does not constitute a waiver by Lender of any default other than the Existing Defaults, whether such default now exists or hereafter occurs.

3. Modification of Reducing Revolver.

(a) Current Balance. The current available principal balance under the Reducing Revolver is hereby increased from \$4,292,800 to \$5,292,800.

(b) Amendment to Loan Agreement. Section 1.2 (c) of the Loan Agreement is hereby deleted in its entirety and the following Section is hereby inserted in lieu thereof:

"(c) The sum of \$5,292,800 under an amended Secured Revolving Promissory Note dated as of June 20, 1994, executed by Portillo's Hot Dogs. The interest rate shall be the Prime Rate of interest and the loan evidenced by said Note shall be due and payable in full, if not sooner paid, on June 20, 2001. Funds may be repaid and reborrowed under said Note; provided, however, that the maximum amount that may be outstanding at any one time shall be (i) \$5,292,800, less (ii) the sum of \$41,600 multiplied by the number of months that have elapsed since December 1995."

(c) Amendment to Reducing Revolver Note. The Reducing Revolver Note is hereby amended by (i) deleting all references to the number "\$5,000,000" and the words "Five Million Dollars" and inserting the number "\$5,292,800" and the words "Five Million Two Hundred Ninety Two Thousand Eight Hundred Dollars", respectively, in lieu thereof, and (ii) deleting the proviso in the first sentence on the second page of the Reducing Revolver Note and inserting the following in lieu thereof: "provide, however, the maximum aggregate principal amount which may be borrowed under this note shall be reduced by the sum of \$41,600 multiplied by the number of months that have elapsed since December 1995 (the "Maximum Allowed Amount")."

4. Covenants.

(a) Liabilities to Net Worth. The first sentence of Section 3.6 of the Loan Agreement is hereby deleted and the following sentence is inserted in lieu thereof: "The Borrowers and Barney's shall not permit the ratio of the Borrowers and Barney's

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Combined Total Liabilities to the Borrowers and Barney's Combined Tangible Capital Funds to exceed 2.0:1.0."

(b) Minimum Combined Tangible Capital Funds. Section 3.8 of the Loan Agreement is hereby deleted and the following is inserted in lieu thereof:

"3.8 Minimum Combined Tangible Capital Funds. The Borrowers and Barney's shall not permit the Combined Tangible Capital Funds of Portillo's Hot Dogs, PFS and Barney's to be less than (i) \$8,500,000 from and after July 31, 1995, until July 30, 1996, and (ii) \$10,500,000 from and after July 31, 1996."

(c) Combined Tangible Capital Funds. From and after August 1, 1995, "Combined Tangible Capital Funds", as such term is used in the Loan Agreement, shall mean the consolidated stockholders' equity of PHD, PFS and Barney's, plus the permitted consolidated subordinated debt of such entities, minus all loans and other advances or amounts owing by an Obligor or an affiliate of an Obligor (including, without limitation, Key West (Florida) and C & O) to an Obligor (to the extent included in the consolidated stockholders' equity).

(d) Reaffirmation of Covenants. The Obligors hereby reaffirm their obligation to comply with all other covenants set forth in the Loan Agreement and the other Loan Documents (including, without limitation, (i) the debt service coverage ratio set forth in Section 3.7 of the Loan Agreement, (ii) the limitations on liquidation, merger and consolidation and acquisitions and disposals of assets set forth in Section 4.1 of the Loan Agreement, (iii) the restrictions on changes in the management of PHD and the business of the Obligors set forth in Section 4.3 of the Loan Agreement, (iv) the limitation on incurring additional indebtedness set forth in Section 4.4 of the Loan Agreement), and (v) the limitation on capital expenditures and intercompany loans set forth in Section 4.5 of the Loan Agreement).

5. References. All references to any "Note", any "Mortgage", the "Guaranty" or any other Loan Document contained in any of the Loan Documents shall be deemed to refer to such document as further amended by this Amendment.

6. Additional Loan Expenses. The Obligors hereby agree to pay all of Lender's reasonable attorney's fees incurred in connection with the negotiation and documentation of the agreements contained in this Amendment, all recording fees and charges, title insurance charges and premiums, appraisal fees, and all other expenses, charges, costs and fees referred to in, necessitated by or otherwise relating to this Amendment (collectively, the "Additional Loan Expenses"). If the Additional Loan Expenses are not paid to Lender within five days after written demand therefor by Lender, the Additional Loan Expenses shall bear interest from the date so incurred until paid at an annual rate equal to Lender's Prime Rate plus 3.0%.

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7. No Defenses. The Obligors represent and warrant to Lender there is not any condition, event or circumstance existing, or any litigation, arbitration, governmental or administrative proceedings, actions, examinations, claims or demands pending or threatened affecting any Obligor or his, her or its property, or which would prevent such Obligor from complying with or performing his, her or its respective obligations under the Loan Documents, and no basis for any such matter exists.

8. Authority to Execute Amendment; No Conflict. Each Obligor represents and warrants to Lender that he, she or it has full power and authority to execute and deliver this Amendment and to perform his, her or its respective obligations hereunder. Upon the execution and delivery hereof, this Amendment will be valid, binding and enforceable upon the Obligors in accordance with its terms. Execution and delivery of this Amendment does not and will not contravene, conflict with, violate or constitute a default under any applicable law, rule, regulation, judgment, decree or order or any agreement, indenture or instrument to which any Obligor is a party or is bound.

9. Ratification of Liability. Each Obligor hereby ratifies and confirms his, her or its respective liabilities and obligations under the Guaranty and the other Loan Documents and the liens and security interests created thereby, and acknowledge that he, she or it no defenses, claims or set-offs to the enforcement by Lender of their respective obligations and liabilities under the Guaranty and the other Loan Documents.

10. Amendment Binding. This Amendment shall be binding on each Obligor and their respective heirs, legatees, successors and permitted assigns, and shall inure to the benefit of Lender and its successors and assigns.

11. Continued Effectiveness. Except as expressly provided herein, the Loan Documents shall remain in full force and effect in accordance with their respective terms.

12. Counterparts. This Amendment may be executed in counterparts, and all of such counterparts when taken together shall constitute one and the same Amendment.

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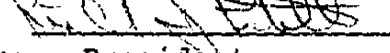
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IN WITNESS WHEREOF, this Amendment has been entered into as of the date first above written.


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

By: 
Title: President

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

By: 
Title: President

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

By: 
Title: President


RICHARD PORTILLO


SHARON PORTILLO

This instrument was prepared by
and, after recording, return to:

Schwartz, Cooper, Greenberger
& Krauss
180 North LaSalle Street
Suite 2700
Chicago, Illinois 60601
Attn: Martin I. Behn, Esq.
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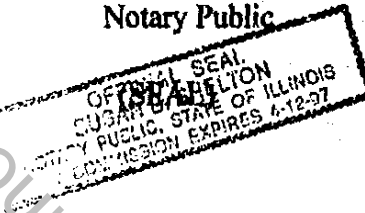
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STATE OF ILLINOIS)
) SS
COUNTY OF DuPage)

I, Susan B. Shelton, 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., PORTILLO'S HOT DOGS, INC., and BARNEY'S BAR-B-Q, INC. (collectively, the "Corporations"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument individually and as such president, 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 8th day of February, ~~1995~~ 1996

Susan B. Shelton
Notary Public

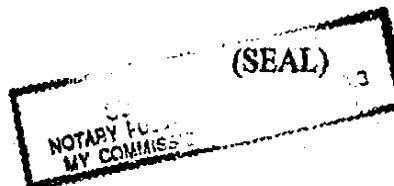


STATE OF ILLINOIS)
) SS.
COUNTY OF DuPage)

I, Susan B. Shelton, 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 she signed and delivered the said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 8th day of February, ~~1995~~ 1996

Susan B. Shelton
Notary Public



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EXHIBIT A

950 East Onden, Naperville, IL

LEGAL: LOT 1 IN PORTILLO'S RESUBDIVISION, BEING A RESUBDIVISION OF LOTS 1 AND 3 IN BEIDELMAN'S SUBDIVISION AND PART OF LOT 7 IN BRUMMELS SUBDIVISION ALL BEING A PART OF THE SOUTHEAST 1/4 OF SECTION 7, TOWNSHIP 38 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID PORTILLO'S RESUBDIVISION RECORDED SEPTEMBER 19, 1986 AS DOCUMENT R86-113647, IN DUPAGE COUNTY, ILLINOIS

PERMANENT INDEX NUMBER: 08-07-407-013

611 East Golf Road, Schaumburg, IL

LEGAL: LOT 1 IN PORTILLO'S SUBDIVISION OF THE NORTH 450 FEET OF THE WEST 500 FEET OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4, LYING SOUTH OF STATE ROUTE 58 (GOLF ROAD) IN SECTION 14, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 31, 1989 AS DOCUMENT 89516453, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NO. 07-14-101-015

1500 Busse Highway, Elk Grove Village, IL

LEGAL:

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.

PARCEL 2:

THE SOUTH 10 FEET OF LOT 346 AND ALL OF LOT 347 IN CENTEX INDUSTRIAL PARK UNIT 212, 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.

PERMANENT INDEX NUMBERS: 08-34-203-016;
08-34-203-022;
08-34-203-023

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1751 Armitage Court, Addison, IL

LEGAL: 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, A SUBDIVISION OF PART OF SECTION 31, TOWNSHIP NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 19, 1968 AS DOCUMENT R-68-54022, IN DUPAGE COUNTY, ILLINOIS

PERMANENT INDEX NUMBER: 03-31-101-008

1759 Armitage Court, Addison, IL

LEGAL: THE SOUTH 130 FEET OF THE EAST 180 FEET OF LOT 3 IN DU PAGE 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 DU PAGE COUNTY, ILLINOIS

PERMANENT INDEX NUMBER: 03-31-101-009

1992 West Jefferson, Naperville, IL

LEGAL: LOT 2 IN GLACIER PARK RESUBDIVISION NO. 1, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 28, 1990 AS DOCUMENT NUMBER R90-036578, BEING A RESUBDIVISION OF PART OF LOT 4 IN GLACIER PARK SUBDIVISION, A SUBDIVISION OF PART OF SECTION 15 AND SECTION 22, TOWNSHIP 38 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID GLACIER PARK SUBDIVISION RECORDED JANUARY 29, 1990 AS DOCUMENT R90-012326 AND CERTIFICATE OF CORRECTION RECORDED FEBRUARY 19, 1990 AS DOCUMENT NUMBER R90-020823, IN DUPAGE COUNTY, ILLINOIS

PERMANENT INDEX NUMBER: 07-15-305-001

1900 West Golf Road, Rolling Meadows, IL

LEGAL: LOT 1 (EXCEPT THE EAST 17 FEET AS MEASURED AT RIGHTS 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

PERMANENT INDEX NUMBER: 08-08-407-001

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221 E. Townline, Vernon Hills, IL

LEGAL: LOT 1 IN CONTINENTAL EXECUTIVE PARKE RESUBDIVISION, NO. 10, 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 JUNE 3, 1993 AS DOCUMENT 3341606, IN LAKE COUNTY, ILLINOIS.

PERMANENT INDEX NO. 15-04-110-002

170 West North Avenue, Northlake, IL

LEGAL: LOTS 27, 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

Permanent Index Nos.

Affects Lot 27: 12-31-402-028
Affects Lot 28: 12-31-402-027
Affects Lot 32: 12-31-402-023
Affects Lot 31: 12-31-402-024
Affects Lot 30: 12-31-402-025
Affects Lot 29: 12-31-402-026

235 E. North Avenue, Glendale Heights, IL

LEGAL: LOT 2 OF THE SECOND ADDITION TO DEMOS' SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF GLENDALE HEIGHTS, MILTON TOWNSHIP, DUPAGE COUNTY, ILLINOIS, ACCORDING TO THE PLAT RECORDED ON JUNE 16, 1995 AS DOCUMENT NUMBER R95-073177

PERMANENT INDEX NO. 05-03-200-029

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