

When recorded mail to:
LandAmerica Financial Group, Inc.
Attn: Maria Saavedra
3636 N. Central Ave, Suite 350
Phoenix, AZ 85012
Escrow No. State 167
1082

704

Drafted by and when recorded return to:
James E. Nelson
BRIGGS AND MORGAN, P.A.
2400 IDS Center
Minneapolis, MN 55402

RECORDED DECEMBER 21, 2000 BK 419 PG 704 NO 364189 AUDREY KOLTISKA, COUNTY CLERK

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE (this "Assignment") made as of the 13th day of November, 2000 by JB'S FAMILY RESTAURANTS, INC., a Delaware corporation, having its principal place of business at 2207 South 48th Street, Suite A, Tempe Delaware 85282, as assignor ("Borrower") to TEXTRON FINANCIAL CORPORATION, a Delaware corporation, having an address at c/o Franchise Finance Division, 4545 S. Wendler Drive, Suite 109, Tempe, AZ 85282, as assignee ("Lender").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Borrower absolutely and irrevocably assigns to Lender, its successors and assigns, all of Borrower's right, title and interest in and to its lessee's interest in that certain Lease described as Exhibit A attached hereto ("Lease") respecting the premises described on Exhibit A attached hereto ("Premises"), to secure the prompt payment and performance in full when due, whether by lapse of time, acceleration or otherwise, of the Secured Obligations (defined below). This Assignment is for collateral purposes only and Lender shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Lender shall take possession of the Premises and assume the obligations of Borrower thereunder. For purposes of this Assignment, the term "Secured Obligations" means, collectively, all obligations and liabilities of the Borrower and/or one or more of the entities related to or affiliated with the Borrower and described on Exhibit B attached hereto (each, an "Affiliate") to Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter arising.

Borrower further covenants and agrees with Lender as follows:

Section 1. Representations. Borrower represents and warrants that (a) Borrower is the sole owner of the entire lessee's interest in the Lease, (b) the Lease is valid and enforceable, and in full force and effect, (c) Borrower has full power and authority to so assign the Lease and its interest therein, (d) no party to the Lease is in default, (e) Borrower has not previously assigned or transferred, and is not obligated to assign or transfer, the Lease or any part of its interest therein or the Premises to any other party, (f) all security deposits relating to the Leases have been paid by Borrower to the Lessor, and (g) there are no agreements with the Lessor other than expressly set forth in the Lease.

1227368.1

Unit 167
1294 Coffeen Avenue
Sheridan, WY

104
Section 2. Covenants. Borrower shall (a) perform and observe, or cause the performance and observance of, all of the covenants and agreements required to be performed and observed by the Borrower under the Lease and do all things necessary to preserve and to keep unimpaired its rights thereunder, and shall not suffer or permit any surrender, termination, amendment or modification of the Lease, (b) promptly notify Lender of any default by Borrower under the Lease or the giving of any notice from Lessor to Borrower claiming any default by Borrower under the Lease or of the intention of the Lessor to exercise any right or remedy reserved to the Lessor thereunder and, if such notice is in writing, contemporaneously provide Lender with a copy of such notice, (c) at least six (6) months prior to the last day upon which Borrower may validly exercise any option to renew or extend the term of the Lease, duly exercise such option and give immediate notice thereof to the Lender, and (d) repay to Lender upon demand all sums paid or incurred by Lender as a result of any default by Borrower under the Lease (including, without limitation, all sums paid by Lender to the Lessor under the Lease to cure any default and all attorneys fees, costs and other expenses), together with interest at the highest rate applicable to any part of the Secured Obligations.

Section 3. Rights of Lender. If Borrower shall fail to perform or observe any of the covenants or agreements required to be performed or observed by it under the Lease, including, without limitation, payment of all rent and other charges due thereunder, Lender may take such action as Lender deems necessary or desirable, in its sole discretion, to cause such covenants or agreements promptly to be performed or observed on behalf of Borrower. Upon receipt by Borrower of any notice of default from the Lessor under the Lease, Lender may rely thereon and take any action as aforesaid to cure such default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of Borrower. If Borrower shall fail to exercise any option as required by Section 2(c) hereof, Lender shall have and is hereby granted the irrevocable right to observe or perform the same, either in its own name and behalf or in the name and behalf of Borrower, and to take such other action as Lender may in its sole discretion determine.

Section 3. Default. If an Event of Default occurs under that certain Loan Agreement of even date herewith between Borrower and Lender (the "Loan Agreement"), Lender shall have the right and is hereby empowered, with or without bringing any action, or by a receiver to be appointed by a court, to take possession of the Premises, expel Borrower from the Premises, assign or sublease the Premises, appear in and defend any action and do any other acts which Lender deems necessary to protect the security hereof. In such event, Borrower shall remain liable to Lender for any and all amounts Lender shall be required to pay to the Lessor under the Lease to effectuate this Assignment.

Section 4. Miscellaneous. This Assignment shall be governed by the laws of the State in which the Premises is located. This Assignment shall inure to the benefit of Lender and any subsequent holder of the Security Instruments and shall be binding upon Borrower, its successors and assigns and any subsequent owner of the Property. The fee title to the Premises and the

leasehold estate shall not merge, but shall remain separate and distinct, notwithstanding the union of such estates either in the lessor or the lessee under any Lease or in a third party by purchase or otherwise.

IN WITNESS WHEREOF, Borrower and Lender have executed this instrument as of the day and year first above written.

BORROWER

JB'S FAMILY RESTAURANTS, INC., a Delaware corporation

By Lynn Whiteford
Its Ceo

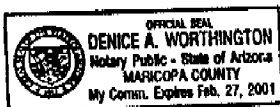
STATE OF ARIZONA)

)ss.

COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me by Lynn Whiteford, the Chief Operating Officer of JB's Family Restaurants, Inc., a Delaware corporation, this 10 day of November, 2000.

WITNESS my hand and official seal.



Denice A. Worthington
(Signature)

(Title of officer)

My Commission Expires: 2-27-2001

IN WITNESS WHEREOF, Borrower and Lender have executed this instrument as of the day and year first above written.

LENDER

TEXTRON FINANCIAL CORPORATION, a
Delaware corporation

By Traci Schwarz
Its AVP

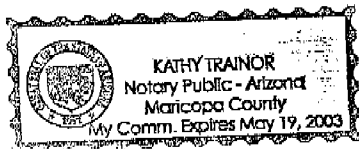
STATE OF ARIZONA)

)ss.

COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me by Traci Schwarz
the AVP of Textron Financial Corporation, a Delaware corporation, this 10th
day of November, 2000.

WITNESS my hand and official seal.



[Signature]
(Signature)

(Title of officer)

My Commission Expires: _____

EXHIBIT A

Legal Description

Unit No.: 167

Lessor: Jules R. Lovinger and Jane A. Lovinger, as Co-Trustees of the Jules R. Lovinger Family Trust, and Lee Lovinger, Jr. and Harriett Lovinger, as Co-Trustees of the Lee Lovinger, Jr. Family Trust.

Property Address: 1294 Coffeen Avenue
Sheridan, WY 82801

Legal Description: A parcel of land located in the southeast quarter, northwest quarter and the northeast quarter southwest quarter of Section 35, T56N, R84W, Sixth Principal Meridian, Sheridan County, Wyoming, more particularly described as follows:

Lot 1 of Stangl Subdivision, a subdivision in Sheridan County, Wyoming as recorded in Drawer S, Plat No. 80, consisting of 56,286 feet.

Subject to a twelve foot (12') easement along the south side of the subject property, adjacent to Lot 2 of the Stangl Subdivision.

Together with a twelve foot (12') easement on the north boundary line to Lot 2 of Stangl Subdivision located in Sheridan County, Wyoming, adjacent to Lot 1 in the Stangl Subdivision.

Subject to and together with cross easements allowing for the free and uninhibited vehicular and pedestrian traffic to cross between both parcels of land (Lots 1 and 2) and no barriers of any kind shall be permitted to be erected on either the southern boundary of Lot 1 or the northern boundary of Lot 2.

EXHIBIT B

Affiliates of Borrower

LBW Investments, L.L.C.

1207384.1

Unit 167
1294 Coffeen Avenue
Sheridan, WY