

When recorded return to:

FIDELITY NATIONAL TITLE
ATTN: MICHELLE BURTON
60 E. Rio Salado Parkway, Suite 1110
Tempe, AZ 85281

Escrow No. Z0906948



201004280107

Skagit County Auditor

4/28/2010 Page 1 of 7 11:13AM

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

CHICAGO TITLE COMPANY
620007268

GRANTOR: TACO BELL OF AMERICA, INC.
JOSEPH S. MORTON & MARJORIE T. MORTON, TRUSTEE OF THE
MORTON FAMILY TRUST

GRANTEE: TACO BELL OF AMERICA, INC.
NORTHWESTERN RESTAURANTS, INC.

PARCEL NO. P107488

LOT 2C, CITY OF MOUNT VERNON BINDING SITE PLAN NO. MV1-94 BSP

Chicago Title Company has placed
this document for recording as a
customer courtesy and accepts no
liability for its accuracy or validity

Store # 17686
217 East College Way
Mount Vernon, WA

This instrument prepared by:
Taco Bell of America Inc.
Yum! Brands, Inc.
1441 Gardiner Lane
Louisville, Kentucky 40213

After recording, return to:
Fidelity National Title
Phoenix National Title Services
60 East Rio Salado Parkway, Suite 1110
Tempe, Arizona 85281

Premises:
TB # 017686
217 East College Way
Mount Vernon, WA

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

This Assignment and Assumption of Lease Agreement (this "Agreement") is made and entered into as of February 9, 2010 by and between Taco Bell of America, Inc. a Delaware corporation ("Assignor"), and Northwestern Restaurants, Inc., a Washington corporation ("Assignee"). This Agreement is being entered into in connection with that certain Asset Purchase Agreement dated November 2, 2009 (the "Asset Purchase Agreement"), by and among Assignor and Assignee. This Agreement shall become effective on February 9, 2010 (the "Effective Date").

RECITALS

WHEREAS, pursuant to a lease dated January 30, 2002 (the "Lease Agreement") between Joseph S. Morton & Marjorie T. Morton, trustees of The Morton Family Trust ("Landlord") to Taco Bell of America, Inc. certain real property and the improvements located thereon generally known as Store #017686 located at 217 East College Way, Mount Vernon, WA and more particularly described in the Lease and on Exhibit A hereto (the "Premises"); and

WHEREAS, Assignor desires to assign to Assignee and Assignee desires to assume from Assignor all of Assignor's rights, title, interest and liabilities in, to and under the Lease Agreement.

1149
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

APR 28 2010



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Amount Paid \$
Skagit Co. Treasurer
By *mam* Deputy

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as set forth below.

1. Assignment. Subject to the terms of this Agreement, and as of the Effective Date, Assignor hereby grants, assigns, transfers and conveys to Assignee, its successors and assigns, all of Assignor's rights, title, interest and liabilities in, to and under the Lease Agreement.

2. Assumption. Subject to the terms of this Agreement, and as of the Effective Date, Assignee hereby assumes Assignor's rights, title, interest and liabilities in, to and under the Lease Agreement and becomes liable for the full and timely performance of all obligations, liabilities and covenants arising under the Lease Agreement, as the Lease Agreement may be amended after the Effective Date. Assignee accepts the Premises in "as is" condition.

3. Covenants of Assignee. Except for the hypothecation contemplated in the Asset Purchase Agreement, Assignee covenants and agrees that, until Assignor is fully and finally released from all obligations under the Lease Agreement, (a) Assignee shall not assign, sublease or otherwise transfer any of its right, title or interest in the Lease Agreement to any other person or entity, without the prior written consent of Assignor, which consent may be withheld in Assignor's reasonable discretion; and (b) Assignee shall not amend extend or otherwise modify any term or condition of the Lease Agreement, without the prior written consent of Assignor, which consent may be withheld in Assignor's reasonable discretion, except that Assignee may extend the term of the Lease Agreement without Assignor's consent provided that i) the term of the Lease Agreement is not extended beyond the expiration date of the term of the franchise agreement dated December 16, 2009, by and between Taco Bell Corp. and Assignee entered into in connection with the restaurant operations at the Premises ("Franchise Agreement"), which Franchise Agreement is then still valid and in effect, ii) Assignor is fully and finally released from all obligations under the Lease at the end of the initial term of the Franchise Agreement, iii) Assignee provides Assignor with a copy of the lease amendment, and iv) Assignee gives Assignor at least 30 days' prior written notice of the extension. Assignee shall indemnify, defend and hold harmless Assignor from and against any and all claims and liabilities arising from matters relating to the Lease Agreement or the Premises after the Effective Date. Any breach by Assignee of the Lease Agreement or this Agreement shall constitute a breach by Assignee of the Franchise Agreement, and a breach of such Franchise Agreement by Assignee shall constitute a breach of this Agreement. Notwithstanding any provision in the Lease Agreement to the contrary, Assignee shall use the Premises solely as permitted under the Franchise Agreement.

4. Terms of the Asset Purchase Agreement. The representations, warranties, covenants, indemnities and agreements of Assignee contained in the Asset Purchase Agreement are incorporated herein by this reference. Such representations, warranties, covenants, indemnities and agreements shall not be superseded but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Asset Purchase Agreement and the terms hereof, the terms of the Asset Purchase Agreement shall govern.



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5. Default Under the Terms of this Agreement. In the event of a default under the terms of the Franchise Agreement or the Lease Agreement, Assignor or its affiliates may, at its option, exercise those rights available at law, in equity or under the Franchise Agreement.

6. Governing Law. This Agreement shall be deemed to be made under, construed in accordance with and governed by, the laws of the State of Washington, without regard to its choice of law provisions.

7. Successors and Assigns; Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors in interest and assigns. Nothing contained in this Agreement shall be deemed to confer upon any person, other than the parties hereto and their respective successors and permitted assigns, any rights, remedies, claims, causes of action or obligations under, or by reason of this Agreement.

8. Execution in Counterparts; Facsimile. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile transmissions, and a facsimile signature of any party shall be effective as an original signature.

[SIGNATURE PAGE FOLLOWS]



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IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first set forth above.

ASSIGNOR:

TACO BELL OF AMERICA, INC.
a Delaware corporation

By: Scott Catlett

Name: Scott Catlett

Title: Attorney-In-Fact

Witness: [Signature]

Witness: [Signature]

COMMONWEALTH OF KENTUCKY

COUNTY OF JEFFERSON

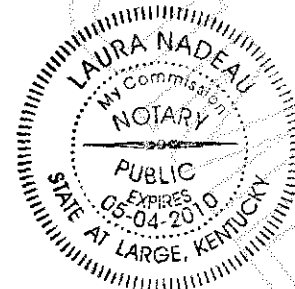
On the 4th day of February, 2010, before me the undersigned, a Notary Public in and for said State, personally appeared Scott Catlett, personally known to be or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument and that such individual made such appearance before the undersigned in the City of Louisville, Jefferson County, State of Kentucky.

IN WITNESS WHEREOF, I hereunto set my hand and official seal

Laura Nadeau

NOTARY PUBLIC

SEAL



201004280107
Skagit County Auditor

ASSIGNEE:

NORTHWESTERN RESTAURANTS, INC.

By 

Name: J. DAVID OREM

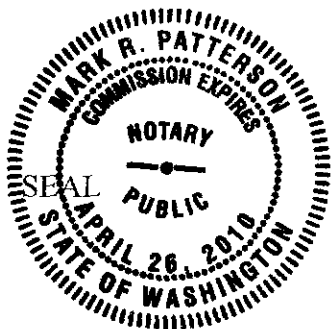
Title: President

STATE of WASHINGTON

COUNTY of PIERCE

On the 4th day of February, 2010, before me the undersigned, a Notary Public in and for said State, personally appeared J. David Orem, personally known to be or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as President of Northwestern Restaurants, Inc., and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument and that such individual made such appearance before the undersigned in the City of Tacoma, Pierce County, State of Washington.

IN WITNESS WHEREOF, I hereunto set my hand and official seal




NOTARY PUBLIC

Residing in Tacoma

My Commission Expires 4-26-2010



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Exhibit A

LOT 2C OF CITY OF MOUNT VERNON BINDING SITE PLAN NO. MV 1-94 BSP.
APPROVED MAY 31, 1994, AND RECORDED MAY 31, 1994, UNDER AUDITOR'S
FILE NO. 9405310129, IN VOLUME 11 OF SHORT PLATS, PAGES 77 TO 81,
INCLUSIVE, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF THE
SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 18, TOWNSHIP 34 NORTH,
RANGE 4 EAST, W.M.



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