

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
CHI-CHI'S, INC. et al.,)	Case No. 03-13063 (RB)
)	Jointly Administered
Debtors.)	

**ORDER AUTHORIZING THE ASSIGNMENT OF
THE ISELIN, NEW JERSEY LEASE PURSUANT TO 11 U.S.C. § 365**

Upon the Notice, dated _____, 2005 (Docket No. ____)(the “Notice”) of Chi-Chi’s, Inc, a Delaware corporation, and certain of its domestic subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, “Debtors”), of the Debtors’ intention to:

(a) assign (the “Assignment”) that certain Sublease dated the 26th day of January, 1983 (hereafter referred to, including all options to renew the term of the Lease and/or to purchase the leased premises and including any proceeds from eminent domain or similar takings of the Leased Premises or any portion thereof, and as amended, as the “Lease”)¹ between Chi-Chi's, Inc., a Delaware corporation, successor by merger to Chi-Chi’s USA, Inc., a Kentucky corporation, successor by merger to CCMR of New Jersey, Inc., a Delaware corporation, and A & R Woodbridge Shopping Center, L.L.C., a Delaware limited liability company, successor by merger to A & R Woodbridge Associates, L.P., a New Jersey limited partnership, as successor in interest to S. Klein Department Stores, Inc., a New York corporation (“Landlord”), pursuant to Assignment and Assumption of Lease and Subleases dated December 19, 1986, and recorded April 22, 1987, in Book 3609, Page 488 of the records of the Clerk of Middlesex County, New Jersey, and the liquor license for the property located at 625 Route 1 at Grill Road, Iselin, New Jersey, Chi-Chi’s Unit No. 27 (the “Leased Premises”) to BFG/CIP of Iselin Partnership (the “Assignee”); and

(b) assign and transfer the furniture, fixtures, and equipment (“FF&E”) located on the Leased Premises to OS Realty, Inc. (“OS Realty”);

¹ The Lease is evidenced of record by that certain Memorandum of Lease recorded on June 28, 1984, in Deed Book 3361, Page 146 of the records the Clerk of Middlesex County, New Jersey.

and no objection to the Notice or the Assignment having been filed; the Court having determined that the requirements of 11 U.S.C. §365 have been met; that the Assignment of the Lease to the Assignee for use by the Assignee in its business operations, as described in the Notice, is appropriate in accordance with the DRA Order and the DRA Procedures Order; that OS Realty's designations of the Lease, the Liquor License and the FF&E were timely; that OS Realty and Chi-Chi's are entitled to the ninety-day extension of time pursuant to Paragraph 38 of the DRA Order to finalize the assignment of the Lease (including the obtaining of all permits by OS Realty); and good and sufficient cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. This Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding as defined in 28 U.S.C. § 157(b)(2). Jurisdiction over this matter has been exclusively retained by this Court pursuant to paragraph 32 of the DRA Order. The statutory predicates for the relief requested include §§ 105, 363 and 365 of the Bankruptcy Code. The Court retains jurisdiction to enforce and interpret the terms of this Order.

2. The assignment of the Lease and the liquor license by the Debtors to the Assignee, as set forth in the Notice, free and clear of all liens, claims, and encumbrances in accordance with the terms of the Notice, the DRA Order and the DRA Procedures Order, is approved.

3. The Debtors, the Assignee and Outback are authorized to execute the Assignment and Assumption of Lease and Guaranty of Obligations of Assignee in substantially

the form attached as Exhibit "A" to the Notice. The Assignment and Assumption of Lease and Guaranty of Obligations of Assignee shall be executed on or before September 6, 2005.

4. The Debtors shall pay the Cure Amounts, if any, set forth in the Notice. The Assignee and Outback shall be responsible to Landlord for the payment of rent and other charges under the Lease for all periods from and after the date of the Assignment, but shall have no responsibility to Landlord for any rental or other payments or for the cure of any defaults existing prior to the date of the Assignment.

5. The Assignee may exercise all options to renew or purchase contained in the Lease. The Assignee shall have all rights provided for in the DRA Order and the DRA Procedures Order.

6. The assignment and transfer of the FF&E by the Debtors to OS Realty, Inc. as set forth in the Notice, free and clear of all liens, claims, and encumbrances in accordance with the terms of the Notice, the DRA Order and the DRA Procedures Order, is approved.

Date: _____, 2005

The Honorable Randolph Baxter
United States Bankruptcy Judge