

LEASE
Machinery - Equipment - Goods
(For Commercial Use Only)

17386

LESSOR: MICHAEL ELLIS and KATHLEEN K. LONG
Address: 5462 Cottage St.,
Klamath Falls, Oregon 97601
City State Zip

LESSOR: ROSS ZIE and DEBORAH A. ZIE, h&w
8 Neal G. Buchanan, Attorney
Address: 601 Main St., Suite 215
Klamath Falls, Oregon 97601 882-6607
City State Zip Phone

JOB ADDRESS at which leased property will be located and used: corner S.6th St., and Patterson St.,
The above named lessor leases unto the above named lessee, and lessee rents from lessor, subject to the terms and conditions hereinafter and on the reverse
set forth and for commercial use only, the following described personal property, to wit:

TYPE	MAKE	Model	No.	NEW or USED	REMARKS
SEE EXHIBIT A, ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE AS IF FULLY SET FORTH HEREIN:					
including the following extras and accessories: AS NOTED ON EXHIBIT A					

for a term of 36 months (If space insufficient, attach separate schedule bearing initials or signatures of both parties.)
beginning September 19, 1986 Before entering into this lease, lessee selected
the leased property from lessor's stock and inspected same. The acceptance thereof by lessee shall constitute acknowledgment that the property has been found by
lessee to be in good, safe and serviceable condition.

SECTION 1. RENTS. Lessee agrees to pay rent for the use of said property
at the rate of \$784.72 per month
payable in advance to the order of lessor; lessor hereby acknowledges receipt
of the sum of \$ -0- covering the period from the
date hereof to October 19, 1986
subsequent rental payments shall become due and payable at the following
times: October 19, 1986, with a like pay-
ment the 19th day of each month thereafter
All rents not paid when due shall bear interest after maturity at the highest
lawful rate until paid.

SECTION 2. MAINTENANCE. During the term of this lease and any renewal
thereof, lessee will take proper care of said leased property, shall not permit
same to be used or operated by incompetent or unqualified persons or subjected
to careless or needless rough usage, shall pay for all damage and injury to said
property, shall be responsible for and pay all costs of storage and of upkeep
and will make, at lessee's own expense, any and all repairs and will supply and
pay for any and all parts and accessories needed to maintain said leased property
in proper condition and good order.

SECTION 3. LOCATION. Lessee agrees that he will not remove said leased

SECTION 4. OTHER TERMS AND CONDITIONS:
OPTION TO PURCHASE: As additional consideration for the granting of the within
lease, Lessors grant to Lessee and option to purchase the equipment described
on Exhibit A, at the expiration of the within lease agreement, for an addition-
al consideration in the amount of \$7,500.00. The said option fee shall be
payable to Lessors in the amounts and at the times as follows: (SEE REVERSE)

THE ADDITIONAL PROVISIONS ON THE REVERSE HEREOF ARE PART OF THIS LEASE.
IN WITNESS WHEREOF, the parties have executed this lease in triplicate on this, the day and year first above written.

By [Signature] Lessor
By [Signature] Lessee

RENEWAL CLAUSE
The foregoing lease hereby is renewed and extended for an additional term of _____
hours/days/weeks/months (indicate which) commencing _____, 19____, for the same rental and on the same terms and conditions.
By _____ Lessor
By _____ Lessee

event of any insolvency or bankruptcy proceeding brought by or against the lessor, or if Lessor deems himself in breach of law and, at his option, may declare all unpaid rents for the term unexpired hereunder, said lease immediately due and payable, shall have the right to immediate possession of said premises and may enter any place or premises where the same or any thereof may be found and remove same, in which event Lessee waives any defense or right of action by reason of such entry and removal.

SECTION 16. ATTORNEYS FEES. In the event suit or action is instituted to collect any sum or sums or money due hereunder or to replevy said personal property or to recover damages for loss of or injury or damage to said property, the losing party in said suit or action agrees to pay, in addition to statutory costs and disbursements, (1) the successful party's reasonable attorney's fees to be fixed by the trial court and (2) on appeal, if any, similar fees in the appellate court to be fixed by the appellate court.

SECTION 17. GENERAL

17.1 Lessor makes no warranties, express or implied, and assumes no responsibility for the condition of the leased property or for any inadequacy thereof.

17.2. No waiver by the lessor of the nonperformance or violation of any condition of this lease or of any default hereunder shall be construed to be or operate as a waiver of any subsequent nonperformance, violation or default.

17.3 Should lessor transfer his interest in this lease and/or in said leased property, all of the terms herein set forth for lessor's benefit shall inure to the benefit of lessor's assignee and each right herein given to the lessor shall to and may be exercised by lessor's assignee hereof.

17.4 Notices to lessee relative to this lease shall be deemed delivered if mailed to lessee's address first appearing on the reverse hereof; five days from date of mailing shall be deemed a reasonable notice. Notices delivered at said address by messenger shall be effective immediately.

17.5 All the terms and conditions herein contained shall apply and inure to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto, subject, however, to the above restrictions against assignment hereof by lessee.

17.6 In construing this lease, the singular includes the plural, the masculine includes the feminine and the neuter, and generally all grammatical changes shall be made or implied so that the provisions herein shall apply equally to the parties hereto whether individuals or corporations.

FOR VALUE RECEIVED, we jointly and severally hereby guarantee unconditionally unto the above named lessor lessee's complete and prompt performance of all lessee's obligations in the foregoing lease; in the event of lessee's default, we upon demand, will pay all sums which lessee should have paid, including court costs, collection charges, expenses and attorney's fees, and perform all the covenants which lessee should have performed; further, we hereby consent that the said lessor, his executors, administrators, successors and assigns, may extend, modify or change the time of payment and terms of performance of said lease at will and that he or they may settle and compromise any sum to become due thereunder as he or they may deem fit, all without releasing us or any of us from liability under this guaranty; we further waive all notice of lessee's nonpayment and nonperformance and notices of every other kind or nature and warrant that the foregoing lease is genuine, valid and enforceable in every respect.

(Guardian)

FOR VALUE RECEIVED, the undersigned lessor does hereby sell, assign and transfer to

Date 19

Lessor

EQUIPMENT & GOODS

BANQUET.

Service Station Cabinet
Buscart
Banquet chairs
6 ft. banquet tables
Miscellaneous

17388

MEZZANINE

Signs
Out side Electric & Wooden
Flood lamps & sppt lights
Electric fireplace
Menu Cabinet

Office

Desk
Phone
Cork board
Shelf unit

MAIN DINNING ROOM

TABLE tops & bases
Oak Capt. Chairs
Burch Dining Chairs
Window Curtains & Hardware
Coat Rack

Restrooms

Oak Stall Dividers
Mirrors
Trash Containers

Stock Room

Hot Water Heater
Storage Shelves & Cabinets
Advance Vac Cleaner
Hover Vac Cleaner
Coat Rack

Dishwashing Room.

Dishwasher & Soap System
Table & Sprayer System
Garbage Disposal
3 Bay Sink
Storage Shelevs above Sink
Wire Dish Rack
Trash Barrel
Bus Cart
Bus Tubs
Silverware Wash Rack
Silver Soak Tub
10 Individual Sliver Racks
Miscellaneous Equipment

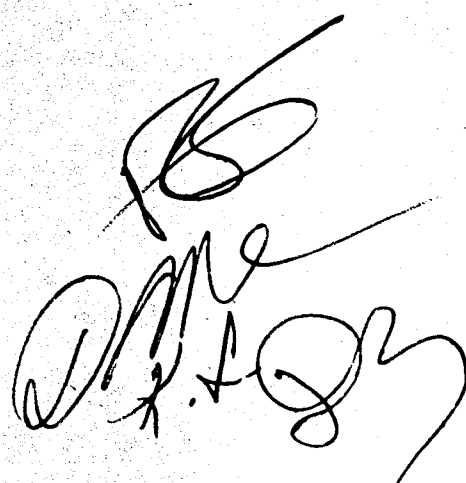
A large, stylized handwritten signature, possibly reading 'D. J. Jones', is written in the lower right quadrant of the page. The signature is written in dark ink and is quite fluid and cursive.

EXHIBIT A-1

EQUIPMENT & GOODS II

17389

WAITERS STATION

Large pepper mills
 Oak cabinet for kicks & trays
 Kicks
 Large service trays
 Oak shelf
 Ticket holder
 Tip trays
 Intercom system
 Small service trays
 Utensil Cabinet
 Water glass Cabinet
 Silver King refrigerator
 Stemware glass rack
 Storage shelves
 Ice Machine
 Sharp carsoel microwave
 Refrigerator/freezer
 3 drawer potato/bread warmer
 High Chairs
 Booster seats
 Air pump pots
 Coffee pots

Miscellaneous Equipment

Ladders
 Mop bucket
 Stand up coat racks
 mops, brooms

Cooking Utensils, Pots, Pans, Dishes & Glasses

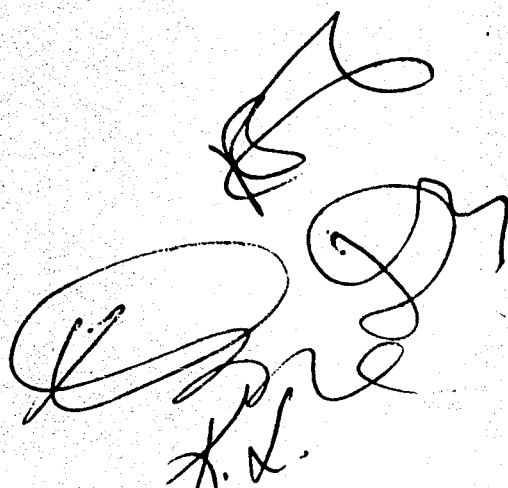
14" Skillets
 12" Skillets
 10" Skillets
 8" Skillets
 8" Teflon skillets
 8" Cooking Square (deep)
 4 1/2" roasting pan
 Stainless steel mixing bowls
 Aluminum colander
 Large sheet pans
 7 gal stock pots w/insters
 5 gal stock pots w/insters
 Sause pots w/insters
 8" steam table inserts
 2" steam table inserts
 4" " " "
 3" " " "
 8" 1/2 steam table pans
 4" 1/2 " " "
 4" 1/4 " " "
 2" Sause inserta
 8" " " "
 4" " " "
 7 quart pots
 1 1/2 quart pots
 1 quart pots
 Large china cap
 Small " "

EXHIBIT A-2

Cooking Utensils (cont.)

17390

Straw Baskets
Steak knives
Braed knives
Bread boards
Chateaubriand boards
Plate liners
Salade plates
Large dinner platers
Med. " "
Dessert plates
Aptizer plates
Sizzler liners & ss/ platters
(small & large)
Clear glass bowls
Seafood cocktail disdes
Monkey dishes
Soup crocks
Ceramic soup dishes
Casserole boats
Sea salad shells
Coffee cups
Saugers (shallow)
Water goblets
ashtrays
Ass. plastic glasses
Stain less steel dessert cups
Thermal coffee pots (large & small)
Glass ramikins
Oil & vinegar cruets
S.S. wire cru ets holders
Chees shaker
Large water pitchers
Small " "
Salade dressing despencers
Salt & pepper shakers (sets)
Large trash buckets
Cake storers
Plastic ice scoops
Food weight scales



Handwritten signature and initials, possibly 'K. L.', with a large flourish above it.

EXHIBIT A-3

KITCHEN EQUIPMENT

17391

Overhead cabinet w/ticket holder
Stainless Steel salad bar
Amana Radar Range
Single soup warmer
Toastermaster 240 volt toaster
Toastermaster toaster
Bastin Refer w/drawers
Victory 7 ft. Refer
Victory 7 ft. Freezer
Arrow steem table
25 lbs. Pitco fryer
30 " " "
Ember Glo steamer
S.Steel work table
u.s. Range 4 burner w/griddle
u.s. " Flat top
Wolf 6 burner w/ shelf
36" charbroiler
Butcher block w/ over head rack
Berkel food slicer
S.Steel doudle bay prep sink w/drainiboard
Butcher block prep table w/shelf
Butcher block slising top
Tyler walk-in refrigerator
Spice shelves
Condiments cabnet.
large wire food racks (shelvs)
Mad " " "
Greenkepper salad contianor.
S.Steel work table 36 X 24
Fire system w/overhead sprayer
Fire extinguishers
Salamander (over head broiler)
Hanging & standing food warmer
Vegi food rasks
Writing boards
phones
Spice Racks

Kitchen Food Staples

Assorded, Salt, Pepper, Flour Etc.

EXHIBIT A-4

Cooking Utensils (cont)

17392

4" Steak fry pan
Grease strainer
Wire strainers
French fry strainer
Wire french fry strainer
Flour sifter
Gallon measure pitcher
Wire whips
Large wire whips
Medium wire whips
Meat grinder
Pastry dough cutter
Clam tongs
Small tongs
Med "
Large "
Potato peelers
12oz. ladles
8 oz. "
6 oz. "
4 oz. "
3 oz. "
2 oz. "
1 oz. "
1 Quart ladles
Commerical can opener
Rolling pin
Pastry rolling pin
Large potato masher
Lid opener
Large mixing spoons
Pie servers
Large spatulas
Med "
Sm. "
Assorted butter & pastry brushes
Large scrapers
Sm. "
Pie divider 8 cut
Pie " 6 "
Large meat pounder
Small " "
Meat weights
Assorted knives
Knife storage block
Flat steam line covers
2 " "
Dome steam covers
Spring from pans (cake)
10" Pie dish plates
Assorted metal pizza & pie plates
Large loaf bread pans
Small " "
Silverware trays
Soup bowls
Silverware place settings
(knives, dinner forks, salad forks, teaspoons, soup spoons
appitizer forks, ice tea spoons ect.)

[Handwritten signature]

EXHIBIT A-5

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of _____ September _____ A.D., 19 86 at 10:57 o'clock A M., and duly recorded in Vol. M36
on Page 17384
of _____ Mortgages

FEE \$37.00

By Evelyn Biehn, County Clerk
[Signature]